REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 25, 2012

SCHOOL FACILITY PROGRAM REGULATORY AMENDMENTS

PURPOSE OF REPORT

To present to the State Allocation Board proposed regulatory amendments that would:

- allow school districts to request less than the currently required 101 modernization grants for projects applying for Special Day Class (SDC) pupil grants and
- repeal regulation sections and delete references relating to the Small High School Program (SHSP).

DESCRIPTION

Minimal Requests for Modernization Grant Funds

The regulations require school districts applying for modernization pupil grants to request at least 101 grants, or the remaining modernization eligibility at the school site if less than 101 grants. This only allows the largest SDC modernization projects to move forward. Consequently, this report requests adoption of an amendment to the School Facility Program (SFP) Regulations to lower the requirement for districts requesting SDC modernization pupil grants so that smaller SDC modernization projects may receive funding.

Small High School Program

The statutory authority for the SHSP was repealed on January 1, 2008. The proposed regulatory amendments would remove the references to the SHPS.

AUTHORITY

Minimal Requests for Modernization Grant Funds

SFP Regulation Section 1859.79.3. "With the exception of Approved Applications that meet the requirements of Section 1859.107(a), districts seeking a Modernization Grant must submit Form SAB 50-04 for at least 101 pupil grants, or the remaining modernization eligibility at the school site if less than 101 pupil grants.

Form SAB 50-04 requesting Modernization Grant funds that do not meet the above criteria will not be accepted by the SAB."

Excessive Cost Hardship Grant

SFP Regulation Section 1859.83. "In addition to any other funding authorized by these Regulations, a district is eligible for funding as a result of unusual circumstances that created excessive project costs beyond the control of the district. The Excessive Cost Hardship Grant shall be based on any of the following:

. . .

(b) Excessive Cost for Projects that House No More than 200 Pupils (Small Size Projects).

(1) Excluding Joint-Use Projects, if the project will house less than 101 pupils, the district is eligible for an Excessive Cost Hardship Grant equal to 12 percent of the funding provided by the New

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AUTHORITY (cont.)

Construction Grant or 12 percent of the funding provided by the Modernization Grant.
(2) Excluding Joint-Use Projects, if the project will house between 101 and 200 pupils, the district is eligible for an Excessive Cost Hardship Grant equal to four percent of the funding provided by the New Construction Grant or four percent of the funding provided by the Modernization Grant.
(3) A Type I Joint-Use Project and a Type II, part of a qualifying SFP Modernization project, Joint-Use Project is eligible for an Excessive Cost Hardship Grant equal to:
(A) 12 percent of the funding provided by Section 1859.125(a)(1) through (a)(2), if the qualifying SFP New Construction or Modernization project pursuant to Section 1859.123 or 1859.123.1 will house less than 101 pupils.
(B) Four percent of the funding provided by Section 1859.125(a)(1) through (a)(2), if the qualifying SFP New Construction or Modernization project pursuant to Section 1859.123 or 1859.123.1 will house between 101 and 200 pupils.
(4) A Type II Joint-Use Project, not part of a qualifying SFP Modernization project, is eligible for an Excessive Cost Hardship Grant equal to eight percent of the funding provided by Section 1859.125(a)(1) through (a)(2)."

Small High School Program
Chapter 894, Statutes of 2004 (Assembly Bill 1465 – Chan) amended Education Code Sections 17072.10, 17072.30, 17072.32, 17074.32 to establish the Small High School Program. These sections were repealed on January 1, 2008, pursuant to the same statute.

BACKGROUND

Minimal Requests for Modernization Grant Funds
School districts have recently applied for modernization funding applications with requests for SDC pupil grants, but were denied because they have requested less than the 101 pupil grants, and less than the remaining eligibility at the school site, required by SFP Regulation Section 1859.79.3. The 101 threshold requires projects requesting SDC grants, grants for Non-Severely Disabled Individuals with Exceptional Needs ("Non-Severe") or Severely Disabled Individuals with Exceptional Needs ("Severe"), to be much larger in scope than projects requesting Kindergarten ("K")-6, 7-8, or 9-12 grants because Non-Severe and Severe classroom loading standards are lower than traditional classroom loading standards.

The 2011 modernization per-pupil grant amounts and grade level loading standards are listed below:

Grade Level	2011 Per-Pupil Grant (buildings less than 50 years old)	Loading Standard
K-6	$3,470	25
7-8	$3,671	27
9-12	$4,804	27
Non-Severe	$7,396	13
Severe	$11,054	9

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BACKGROUND (cont.)

For example, a district would have to request more than 11 Severe classrooms worth of grants in order to submit an eligible application; however, it would only have to request four 9-12 classrooms worth of grants in order to submit an eligible application.

According to the Initial Statement of Reasons for SFP Regulation Section 1859.79.3, submitted to the Office of Administrative Law (OAL), the minimum threshold was originally adopted because it had been possible for districts to submit multiple applications requesting only a few modernization pupil grants each that would allow projects to 1) become eligible for the small size project excessive cost hardship grant that would otherwise not be eligible and 2) present a scope of work for each application that either was so small that it would not require Division of the State Architect (DSA) approval or only involved routine maintenance and repair.

This proposal was presented at two Implementation Committee meetings. A suggestion was made by a Committee member to create a minimum dollar amount threshold instead of a pupil grant threshold for modernization projects. However, the proposal to amend the threshold is consistent with the current pupil grant method.

During those Implementation Committee meetings, other issues were discussed that related to the use of the modernization grant, but that were not directly related to this proposal. Although no consensus was reached, the proposed regulatory amendments in this item relate only to the SDC pupil grant issue in order to allow those districts that have recently had applications for funding denied to submit those applications for smaller SDC modernization projects.

Small High School Program

Chapter 894, Statutes of 2004 (Assembly Bill 1465 – Chan) amended Education Code Section 17072.10 to establish the Small High School Program. The purpose of the program was to provide State funds to districts to build allow districts to reconfigure existing high schools and to build new high schools with less than 500 pupils attending, in order to encourage districts to build smaller high schools. A total of $20 million for New Construction and $5 million for Modernization from the Kindergarten-University Public Education Facilities Bond Act of 2004 were allocated for the SHSP.

STAFF ANALYSIS/STATEMENTS

Minimal Requests for Modernization Grant Funds

SFP regulations unnecessarily exclude all but the largest SDC modernization projects. Because the base grant amounts provided, at loading standards, for an average K-12 four classroom modernization project and an average SDC four classroom project are comparable, Staff recommends that regulations be amended to allow a district to request the equivalent of four classrooms worth of SDC modernization grants at a new minimum threshold; that is, 52 Non-Severe or 36 Severe pupil grants.

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STAFF ANALYSIS/STATEMENTS (cont.)

As shown in the following table, the base grant amount for the minimum per-pupil grant request at the current K-12 grade levels and the proposed SDC levels are comparable:

Grade Level	Minimum Per-Pupil Grant	Base grant (based on 2011 pupil grant amounts
K-6	101	$350,470
7-8	101	$370,771
9-12	101	$485,204
Non-Severe	52 (proposed)	$384,592
Severe	36 (proposed)	$397,944

Sites where the remaining eligibility is less than 36 Severe or 52 Non-Severe pupil grants

Provided a district meets all other program criterion, it will still be able to apply for a modernization project using all the remaining eligibility at the site. For example, under this proposal, a site with a remaining eligibility of 20 Severe grants would not be eligible to submit an application requesting only 10 Severe grants, but the district could request all 20 grants.

Excessive Cost Hardship Grant – Small Size Projects

The Excessive Cost Hardship Grant for small size projects provides an additional grant for projects that house no more than 200 pupils. Currently, excluding Joint-Use projects, if the project will house less than 101 pupils, the district is eligible for a grant equal to 12 percent of the funding provided by the New Construction or Modernization base grant. If the project will house between 101 and 200 pupils, the district is eligible for a grant equal to four percent of the funding provided by the New Construction or Modernization base grant.

The small size project grant is intended to aid small projects. However, as explained above, a project using 36 Severe pupil grants may be as big, in scope, as a project using 108 9-12 grants. Therefore, it seems appropriate that since the project using 108 9-12 pupil grants is eligible for a four percent small size project grant increase, the project using 36 Severe pupil grants would be eligible for the four percent small size project grant increase as well.

Small High School Program

The SHSP was established in 2004 to provide SFP funds to construct new or reconfigure existing high schools that would house no more than 500 pupils. The statute that created the program also specified that the EC Sections that provided authority to fund the program would be repealed on January 1, 2008, ending the SHSP program. Because the statutes were repealed from the Education Code, the SFP regulations regarding SHSP do not have statutory authority. Therefore, the proposed regulations would remove the SHSP from the SFP Regulations.

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RECOMMENDATIONS

1. Approve the proposed regulations as shown on Attachments A and B.

2. Authorize the Acting Executive Officer to file the regulations with the OAL.

This Item was approved by the State Allocation Board on January 25, 2012.

(Rev. 1)

ATTACHMENT A

SCHOOL FACILITY PROGRAM REGULATORY AMENDMENTS

Section 1859.79.3. Minimal Requests for Modernization Grant Funds.

(a) With the exception of Approved Applications that meet the requirements of Section 1859.107(a), districts seeking a Modernization Grant must submit Form SAB 50-04 for any one of the following:
(1) at least 52 Non-Severe grants, or
(2) at least 36 Severe grants, or
(3) at least 101 grants, or
(4) the remaining modernization eligibility at the school site if less than ~~101 grants~~the grants in (1), (2), or (3).
(b) Form SAB 50-04 requesting Modernization Grant funds that do not meet the above criteria will not be accepted by the SAB.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17074.15, 17074.16, 17074.25 and 100420(c), Education Code.

Section 1859.83. Excessive Cost Hardship Grant.

In addition to any other funding authorized by these Regulations, a district is eligible for funding as a result of unusual circumstances that created excessive project costs beyond the control of the district. The Excessive Cost Hardship Grant shall be based on any of the following:

. . . .

(b) Excessive Cost for Projects that House No More than 200 Pupils (Small Size Projects).
(1) Excluding Joint-Use Projects and grant requests pursuant to Section 1859.79.3(a)(1) or (a)(2), if the project will house less than 101 pupils, the district is eligible for an Excessive Cost Hardship Grant equal to 12 percent of the funding provided by the New Construction Grant or 12 percent of the funding provided by the Modernization Grant.
(2) Excluding Joint-Use Projects and grant requests pursuant to Section 1859.79.3(a)(1) or (a)(2), if the project will house between 101 and 200 pupils, the district is eligible for an Excessive Cost Hardship Grant equal to four percent of the funding provided by the New Construction Grant or four percent of the funding provided by the Modernization Grant.
(3) A Type I Joint-Use Project and a Type II, part of a qualifying SFP Modernization project, Joint-Use Project is eligible for an Excessive Cost Hardship Grant equal to:
(A) 12 percent of the funding provided by Section 1859.125(a)(1) through (a)(2), if the qualifying SFP New Construction or Modernization project pursuant to Section 1859.123 or 1859.123.1 will house less than 101 pupils.
(B) Four percent of the funding provided by Section 1859.125(a)(1) through (a)(2), if the qualifying SFP New Construction or Modernization project pursuant to Section 1859.123 or 1859.123.1 will house between 101 and 200 pupils.
(4) A Type II Joint-Use Project, not part of a qualifying SFP Modernization project, is eligible for an Excessive Cost Hardship Grant equal to eight percent of the funding provided by Section 1859.125(a)(1) through (a)(2).
(5) A grant request pursuant to Section 1859.79.3(a)(1) or (a)(2) and less than 101 pupils is eligible for an

Excessive Cost Hardship Grant equal to four percent of the funding provided by the Modernization Grant.

. . . .

Note: Authority cited: Sections 17070.35 and 17075.15, Education Code.

Reference: Sections 17072.32, 17074.15, 17074.16, 17075.10, 17075.15, 17077.40, 17077.42 and 17077.45, Education Code.

ATTACHMENT B

SCHOOL FACILITY PROGRAM REGULATORY AMENDMENTS

Section 1859.2. Definitions.

…

"Ready for Apportionment" means a final review of an Approved Application has been completed by the OPSC and it has been determined that it meets all requirements of law for an apportionment or eligibility determination, and the OPSC will recommend approval to the Board.

~~"Reconfiguration" for the purposes of the Small High School Program means a project to create new Small High Schools, on an existing high school which can include limited new construction, as needed, pursuant to Education Code Section 17074.32, and the work shall be part of a current Modernization project and considered one project regardless of the number of new high school entities created.~~

"Reconfigure" for the purposes of the Career Technical Education Facilities Program means remodeling an existing school building within its current confines and/or the expansion of the square footage of the existing building.

. . . .

"Small Charter School" shall be defined as a school with an enrollment of not more than 175 pupils, based on the latest available CBEDS report or if a CBEDS report is unavailable, the registration list for the Charter School may be used.

~~"Small High School" for purposes of the Small High School Program means a high school with an enrollment of 500 pupils or less.~~

~~"Small High School Program" means an Approved Application submitted pursuant to Education Code Section 17072.10(c) or 17074.32.~~

"Small School District" means a school district with current districtwide enrollment reported in Part A, the continuation high pupils reported in Part C, and the Special Day Class pupils reported in Part D on the latest Form SAB 50-01, used to determine or adjust the district's baseline eligibility pursuant to Sections 1859.50 and 1859.51 or submitted separately to the OPSC, that is 2,500 or less.

. . . .

Note: Authority cited: Sections 17070.35 and 17078.64, Education Code.

Reference: Sections 17009.5, 17017.6, 17017.7, 17021, 17047, 17050, 17051, 17070.15, 17070.51(a), 17070.71, 17070.77, 17071.10, 17071.25, 17071.30, 17071.33, 17071.35, 17071.40, 17071.75, 17071.76, 17072.10, 17072.12, 17072.18, 17072.33, 17073.25, 17074.10, 17074.30, 17075.10, 17075.15, 17077.40, 17077.42, 17077.45, 17078.52, 17078.56, 17078.72(k), 17079, 17079.10, 17280, 56026, and 101012(a)(8), Education Code; Section 53311, Government Code; and Section 1771.5, Labor Code.

Section 1859.61. Adjustments to the Modernization Baseline Eligibility.

The baseline eligibility for modernization as provided in Section 1859.60 for a specific site will be adjusted as follows:

…

~~(j) Adjusted as a result of the Reconfiguration of an existing high school under the provisions of the Small High School Program.~~

~~(k)~~ (j) Decreased for facilities that were deemed eligible for modernization pursuant to Sections 1859.60 and 1859.61(d) and subsequently replaced, or will be replaced under a signed contract for construction or acquisition of facilities, in a project funded by the district without participation from the State.

~~(l)~~ (k) Adjusted as a result of replaced eligible portables funded with the Overcrowding Relief Grant, pursuant to Education Code Section 17079, et seq.

~~(m)~~ (l) Adjusted as a result of classrooms demolished and replaced pursuant to Regulation Section 1859.82.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17070.51, 17071.25, 17072.15, 17072.20, 17073.15, 17074.10, 17075.10, and 17079.30, Education Code.

~~Section 1859.70.3. Available Funding for the Small High School Program.~~

~~For purposes of the Small High School Program, the Board shall set aside the funding as follows:~~
~~(a) $20 million for the new construction of Small High Schools pursuant to Education Code Section 17072.10(c).~~
~~(b) $5 million in modernization funding to assist with the Reconfiguration of large high schools pursuant to Education Code Section 17074.32.~~

~~Pursuant to Education Code Section 101012(a)(5), the Board may provide up to $200 million for the purposes set forth in Education Code Sections 17072.10(c) and 17074.32.~~

~~Note: Authority cited: Section 17070.35, Education Code.~~

~~Reference: Sections 17072.10 and 17074.32, Education Code.~~

~~Section 1859.71.5. New Construction Grant Increase for the Small High School Program.~~

~~The Board shall provide an increase of 20 percent to the per-pupil grant as identified in Section 1859.70.3(a), for projects receiving funding under the Small High School Program pursuant to Sections 1859.93.2 and 1859.93.3, and shall provide an increase, as appropriate, to any other funding authorized by these Regulations to ensure that the Apportionment represents 60 percent of the total project cost.~~

~~Note: Authority cited: Section 17070.35, Education Code.~~

~~Reference: Section 17072.10, Education Code.~~

Section 1859.74. New Construction Additional Grant for Site Acquisition Cost.

With the exception of projects that received site acquisition funds under the LPP or projects that qualify for site acquisition funds under Section 1859.74.5, the Board shall provide funding, in addition to any other funding authorized by these Regulations, for the lesser of one half of the actual cost of the site or one-half of the appraised value of the site acquired as described in (a) and (b) of this Section.
…
The actual site cost or the appraised value of the site shall be reduced, on a prorated basis, by the percentage of the excess acreage of the site that exceeds the master plan site acreage approved by the CDE.

~~For the purposes of the Small High School Program, the actual site cost or the appraised value of the site shall be reduced, on a prorated basis, by the amount that exceeds the recommended site size for 500 pupils as determined by the CDE.~~

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17072.10, 17072.12 and 17251, Education Code.

Section 1859.77.1. New Construction District Matching Share Requirement.

Any funding provided by these Regulations shall require a district matching share contribution on a dollar-for-dollar basis with the exception of ~~the following:~~

~~(a) Financial~~ <u>financial</u> hardship provided by Section 1859.81 or any additional grant provided for a district-owned site acquisition cost pursuant to Sections 1859.74.5 or 1859.81.2.
~~(b) If the Approved Application is funded under the Small High School Program, a district matching share equal to at least 40 percent of the total project cost shall be required.~~

The district may include as its district matching share any amounts expended on the project for an energy audit made pursuant to Education Code Section 17077.10 and any amounts applied to the project for incentive grants or rebates received by the district from a program funded pursuant to Public Utilities Code Section 381.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17072.30~~, 17074.32~~ and 17077.10, Education Code.

~~Section 1859.78.9. Separate Apportionment for Modernization Reconfiguration under the Small High School Program.~~

~~(a) The Board shall provide an additional apportionment pursuant to Education Code Section 17074.32 for Modernization Reconfiguration work on an existing high school site, not to exceed $500,000 for each new Small High School created from the reconfiguration, subject to OPSC verification, if all of the following criteria are met:~~

~~(1) A district shall submit an Approved Application by September 30, 2007.~~

~~(2) The current enrollment at the existing high school must be at least 1,000 pupils.~~

~~(3) At least two new Small High Schools must be created as a result of Reconfiguration.~~

~~(4) The district must obtain a county-district-school code from the Department of Education for the resulting new school sites.~~

~~(5) Funds provided under this Section shall be used only for work included in the Reconfiguration.~~

~~(b) The State funding pursuant to this Section shall continue for projects that meet subsection (a) until all available funds are exhausted. In the event that remaining funds are insufficient to fund a Reconfiguration project in its entirety, the district will have the following options:~~

~~(1) Accept the remaining funds as a full and final apportionment; or,~~

~~(2) Refuse the funding in its entirety. If the district wishes to proceed with the Modernization portion of the application, the application will retain its received date and proceed without the Modernization Grant Separate Apportionment for Reconfiguration.~~

~~The district must maintain an enrollment, not to exceed 500 pupils, for a minimum of two complete school years after the Occupancy of the new Small High Schools.~~

~~Any additional Classrooms Provided to the campus, beyond the existing number of classrooms prior to the Reconfiguration work, shall be reduced from the district's New Construction Eligibility pursuant to Section 1859.51.~~

~~At the conclusion of the Reconfiguration project, a new Modernization Eligibility will be established at any resulting new Small High Schools.~~

~~After all qualifying projects pursuant to this Section have been apportioned, any remaining funds pursuant to Education Code Section 17074.32 shall be made available for eligible modernization projects pursuant to this Act.~~

~~Note: Authority cited: Section 17070.35, Education Code.~~

~~Reference: Section 17074.32, Education Code.~~

Section 1859.79. Modernization Matching Share Requirement.

Except in the case of financial hardship as provided in Section 1859.81, ~~or the modernization grant for Reconfiguration as provided in Section 1859.78.9,~~ a district matching share for a modernization project shall be required as follows:

(a) If the Approved Application is received on or before April 29, 2002, any Modernization Grant plus any other funding provided by these Regulations shall require a district matching share equal to at least 20 percent of those amounts which, combined with the State's Modernization Adjusted Grant, shall represent 100 percent of the total project cost.

(b) If the Approved Application is received after April 29, 2002, any Modernization Grant, plus any other funding authorized by these Regulations shall require a district matching share equal to at least 40 percent of those amounts which, combined with the State's Modernization Adjusted Grant, shall represent 100 percent of the total project cost.

The district may include as its district matching share any amounts expended on the project for an energy audit made pursuant to Education Code Section 17077.10 and any amounts applied to the project for incentive grants or rebates received by the district from a program funded pursuant to Public Utilities Code Section 381.

~~The district's modernization matching share shall not be expended on costs included in a Reconfiguration project pursuant to Section 1859.78.9.~~

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17074.15, 17074.16~~, 17074.32~~ and 17077.10, Education Code.

Section 1859.79.2. Use of Modernization Grant Funds.

The Modernization Grant plus any other funds provided by these Regulations shall be expended as set forth in Education Code Sections 17074.25, 17074.10(f) and 17070.15(f) and may also be utilized for other purposes as set forth in Education Code Section 100420(c). Modernization funding may also be used for the costs incurred by the district directly or through a contract with a third party provider for the initiation and enforcement of a LCP. Modernization funding, with the exception of savings, is limited to expenditure on the specific site where the modernization grant eligibility was generated. The grant may not be used for the following:

. . . .

~~(e) Costs associated with Reconfiguration pursuant to Section 1859.78.9.~~

. . . .

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17070.15, 17074.25~~, 17074.32~~ and 100420(c), Education Code.

Section 1859.83. Excessive Cost Hardship Grant.

In addition to any other funding authorized by these Regulations, a district is eligible for funding as a result of unusual circumstances that created excessive project costs beyond the control of the district. The Excessive Cost Hardship Grant shall be based on any of the following:

. . . .

(c) Excessive Cost to Construct a New School Project.

(1) With the exception of Alternative Education schools for which the final plans and specifications for the project were accepted by the DSA on or after March 24, 2004, ~~or Small High School Program new construction projects,~~ if the project is for a new elementary, middle or high school on a site with no existing school facilities, the district is eligible for a New Construction Excessive Cost Hardship Grant equal to the difference in the amount provided by the New Construction Grant and the amount shown

below, based on the number of classrooms, including classrooms used for Individuals with Exceptional Needs, in the project:

. . . .

~~(3) If the project is for a Small High School on a site with no existing facilities, or for only one of the Small High Schools created pursuant to Section 1859.93.2(c)(4), the district is eligible for a New Construction Excessive Cost Hardship Grant equal to the difference in the amount provided in the New Construction Grant and the amount shown below, based on the number of classrooms in the project:~~

~~Classrooms~~	~~Small High School~~
~~1~~	~~$1,759,200~~
~~2~~	~~$1,830,000~~
~~3~~	~~$2,262,000~~
~~4~~	~~$2,646,000~~
~~5~~	~~$2,913,600~~
~~6~~	~~$3,181,200~~
~~7~~	~~$3,448,800~~
~~8~~	~~$3,655,200~~
~~9~~	~~$3,820,800~~
~~10~~	~~$3,985,200~~
~~11~~	~~$4,150,800~~
~~12~~	~~$4,302,000~~
~~13~~	~~$4,450,800~~
~~14~~	~~$4,599,600~~
~~15~~	~~$4,749,600~~
~~16~~	~~$4,898,400~~
~~17~~	~~$5,048,400~~
~~18~~	~~$5,197,200~~
~~19~~	~~$5,346,000~~
~~20~~	~~$5,496,000~~
~~21~~	~~$5,644,800~~
~~22~~	~~$5,793,600~~

~~The amounts shown will be adjusted annually in the manner prescribed in Section 1859.71.~~

~~The grant shall not exceed the number of classrooms necessary to house 500 pupils.~~

~~After the expiration of the time frame specified in Section 1859.93.2(e), any Excessive Cost Hardship Grant shall be offset against future New Construction Grant funds as provided in (c)(1) above.~~

. . . .

Note: Authority cited: Sections 17070.35 and 17075.15, Education Code.

Reference: Sections 17072.32, 17074.15, 17074.16, 17075.10, 17075.15, 17077.40, 17077.42, ~~and~~ 17077.45 and 17250.30, Education Code.

~~Section 1859.93.2. New Construction Adjusted Grant for the Small High School Program.~~

~~A district may submit an Approved Application for a Small High School project from January 1, 2006 through September 30, 2007, if all of the following are met:~~

~~(a) The Application meets all the criteria on the Form SAB 50-04 for a New Construction Adjusted Grant, pursuant to Section 1859.21.~~

~~(b) The district has at least 500 high school pupil grants of new construction eligibility available pursuant to Regulation Section 1859.50 and 1859.51.~~

~~(c) The Small High School may be constructed on one of the following:~~
~~(1) A stand alone school site with no existing facilities;~~
~~(2) An adjacent site to an existing high school and share core facilities including, but not limited to library, multi-purpose room and gymnasium. The existing high school and new small high school may not share administration and toilet facilities.~~
~~(3) A site of a large high school if the CDE deems that the site will not create a school that is overcrowded or educationally inadequate; or~~
~~(4) Two or more small high schools may be constructed on separate but adjacent sites and may share one or all of the core facilities in (c)(2).~~
~~(d) The Small High School may not be constructed where it would otherwise have been built due to sparse population.~~
~~(e) The district shall only provide the number of classrooms at the new school site necessary to house the capacity of the Small High School, not to exceed 500 pupils, until two complete school years after the Occupancy of the last Small High School funded pursuant to Education Code Section 17072.10(c)(1), which would correspond with timing of the data submitted by the district pursuant to Section 1859.104(e)(2).~~

~~Note: Authority cited: Section 17070.35, Education Code.~~

~~Reference: Section 17072.10, Education Code.~~

~~Section 1859.93.3. New Construction Small High School Program Funding Order.~~

~~Approved Applications shall be identified in each of the following categories:~~
~~(a) By Geographical Region One (North), Three/Four (South), or Two (Central).~~
~~(b) By Urban, Suburban and Rural areas.~~
~~Projects will be identified according to the numerical score for the district's academic reform strategy as determined by the California Department of Education within each category (a) and (b) above, from highest to lowest. The Board shall apportion to the highest ranked project of each possible type starting with the order listed in category (a) and continuing with the order listed in category (b) until all funds are apportioned.~~

~~No district shall receive more than one apportionment unless all other qualified districts within the applicant's corresponding categories (a) and (b) have been awarded.~~

~~After all apportionments have been made for projects approved under Section 1859.93.2, any remaining funds pursuant to Education Code Section 17072.10(c) shall be made available for eligible new construction projects pursuant to this Act.~~

~~Note: Authority cited: Section 17070.35, Education Code.~~

~~Reference: Section 17072.10, Education Code.~~

Section 1859.104. Program Reporting Requirements.

A district receiving funds in accordance with the Act shall submit the following:
. . . .

~~(e) If an Apportionment was made under the Small High School Program pursuant to:~~

~~(1) Section 1859.78.9 or Section 1859.93.2, a cost evaluation report shall be due to the OPSC no later than two complete school years after the Occupancy of the approved project.~~
~~(2) Section 1859.93.2, the district must provide a preliminary report on any academic data requested by CDE two complete school years after the Occupancy of the approved project. The final report shall be due no later than two complete school years after the OPSC notifies the district of the Occupancy of the last approved project.~~

~~(f)~~ (e) If an Apportionment was made under the Overcrowding Relief Grant pursuant to Section 1859.180, the School District must provide a certification that the replaced portables were removed from the eligible site and from service pursuant to Education Code Section 17079.30.

~~(g)~~ (f) A School District receiving an Apportionment for high performance incentive grants pursuant to Section 1859.71.6 or 1859.77.4 shall submit a completed Project Information Worksheet to the OPSC for all expenditures related to the additional design and construction costs of the high performance building components. In addition, the School District shall provide information related to resulting energy savings and efficiency, as well as other resulting benefits. The Project Information Worksheet shall be submitted with the Form SAB 50-05 and the District's first and final Forms SAB 50-06 pursuant to (a)(1) and (2) above.

Note: Authority cited: Sections 17070.35, 17072.13, and 17079.30, Education Code.

Reference: Sections 17070.35, 17070.99, 17072.12, 17072.13, 17076.10 and 17079.30, Education Code.

GENERAL INFORMATION

Once the Board has determined or adjusted the district's eligibility for either new construction or modernization funding, the district may file an application for funding by use of this form. The Board will only provide new construction funding if this form is submitted prior to the date of occupancy of any classrooms included in the construction contract. If the district has a pending reorganization election that will result in the loss of eligibility for the proposed project, the district may not file an application for funding until the Board has adjusted the district's new construction baseline eligibility as required in Section 1859.51. This may be accomplished by completion of Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03.

For purposes of Education Code Section 17073.25, the California Department of Education (CDE) is permitted to file modernization applications on behalf of the California Schools for the Deaf and Blind.

Requests for funding may be made as follows:

1. A separate apportionment for site acquisition for a new construction project for environmental hardship pursuant to Section 1859.75.1. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):
   - Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 (if not previously submitted).
   - Contingent site approval letter from the CDE.
   - Preliminary appraisal of property.
   - Approval letter from the Department of Toxic Substances Control.
2. A separate apportionment for site acquisition and/or design costs for a new construction project pursuant to Section 1859.81.1. This apportionment is available only to districts that meet the financial hardship criteria in Section 1859.81. Districts may apply for a separate apportionment for the design and for site acquisition on the same project. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):
   - Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 (if not previously submitted).
   - Contingent site approval letter from the CDE (site apportionment only).
   - Preliminary appraisal of property (site apportionment only).
3. A separate apportionment for district-owned site acquisition cost pursuant to Section 1859.81.2. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate);
   - Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 (if not previously submitted).
   - Site approval letter from the CDE.
   - Appraisal of district-owned site.
   - Cost benefit analysis as prescribed in Section 1859.74.6 or a copy of the Board finding that the non-school function on the district-owned site must be relocated.
4. A separate apportionment for design cost for a modernization project pursuant to Section 1859.81.1. This apportionment is available only to districts that meet the financial hardship criteria in Section 1859.81. For purposes of this apportionment, the Form SAB 50-03 must accompany this form (if not previously submitted).
5. A New Construction Adjusted Grant pursuant to Section 1859.70 or 1859.180. If the funding request includes site acquisition, the proposed site must either be owned by the district, in escrow, or the district has filed condemnation proceedings and received an order of possession of the site. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):
   - Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 (if not previously submitted).
   - Site/plan approval letter from the CDE.
   - Appraisal of property if requesting site acquisition funds.
   - Plans and specifications (P&S) for the project that were approved by the DSA. Submittal of plans may be on CD-ROM or "Zip Drive" readable in AutoCAD 14. The specifications may be provided on a diskette that is IBM compatible.
   - Cost estimate of proposed site development, if requesting site development funding.
   - If this request is pursuant to Section 1859.77.2 and the district's housing plan is other than those listed in the certification section of this form, a copy of the school board resolution and the approved housing plan.
   - If the site apportionment is requested pursuant to Regulation Section 1859.74.5, a cost benefit analysis as prescribed in Regulation Section 1859.74.6 or a copy of the Board finding that the non-school function on the district-owned site must be relocated.
   - ~~If this is a request for funding under the Small High School Program, pursuant to Regulation Section 1859.93.2, the district must also provide a CDE Small High School academic reform strategy approval.~~
   - If this request is fully or partially based on eligibility derived from an Alternative Enrollment Projection, a justification of how the project relieves overcrowding, including but not limited to, the elimination of the use of Concept 6 calendars, four track year-round calendars, or bussing in excess of 40 minutes.
   - Written confirmation from the district's career technical advisory committee indicating that the need for vocational and career technical facilities is being adequately met within the district consistent with Education Code Sections 51224, 51225.3(b), 51228(b), and 52336.1.
6. For purposes of the Overcrowding Relief Grant (ORG), districts must submit the Overcrowding Relief Grant District-Wide Eligibility Determination (Form SAB 50-11) prior to the submittal of this funding application. In addition, districts must have had the CDE deem the site eligible for the ORG (pursuant to Section 1859.181) prior to the submittal of this application. For purposes of this apportionment, the following documents must be submitted with this form as well as the documents listed in section 5 above:
   - Overcrowding Relief Grant Eligibility Determination Form approved by the CDE.
   - Copies of the supporting documentation provided to the CDE when determining the density of the site, including the site diagram.

   The district is not required to submit its current CBEDS enrollment data.

Modernization Adjusted Grant pursuant to Section 1859.70. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):

- Form SAB 50-03 (if not previously submitted).
- P&S for the project that were approved by the DSA.
- If the request includes funding for accessibility and fire code requirement pursuant to Section 1859.83(f), the DSA approved list of the minimum accessibility work required and a detailed cost estimate for the work in the plans.
- DSA approval letter for elevator to meet handicapped compliance, if funding is requested.
- Cost estimate of the proposed site development necessary for the Reconfiguration of an existing high school.
- Plan approval letter from the CDE.
- Districtwide enrollment data on Form SAB 50-01 when requesting project assistance (if not previously submitted).
- If the request includes funding for 50 year old permanent buildings pursuant to Section 1859.78.6, a site diagram identifying all buildings to be modernized in the project. The diagram must specify those buildings that are at least 50 years old.

- Written confirmation from the district's career technical advisory committee indicating that the need for vocational and career technical facilities is being adequately met within the district consistent with Education Code Sections 51224, 51225.3(b), 51228(b), and 52336.1.

Prior to acceptance of an application for funding that includes a financial hardship request, the district must have its financial hardship status "pre-approved" by the Office of Public School Construction (OPSC). To apply for a financial hardship "pre-approval", consult the OPSC Web site at www.dgs.ca.gov/opsc.

If the district is requesting New Construction funding after the initial baseline eligibility was approved by the Board and the district's current CBEDS enrollment reporting year is later than the enrollment reporting year used to determine the district's baseline eligibility or adjusted eligibility, the district must complete a new Form SAB 50-01 based on the current year CBEDS enrollment data, and submit it to the OPSC with this form. In addition, if the district's request is fully or partially based on eligibility derived from an Alternative Enrollment Projection, the district must update the Alternative Enrollment Projection to correspond with the CBEDS enrollment data for the current year. A small district with 2,500 or less enrollment as defined in Section 1859.2 will not have its eligibility reduced for a period of three years from the date the district's baseline eligibility was approved by the Board as a result of reduction in projected enrollment.

For a list of the documents that must be submitted in order for the OPSC to deem a funding request for new construction or modernization complete and ready for OPSC processing, consult the SFP handbook and other information located on the OPSC Web site at www.dgs.ca.gov/opsc.

For purposes of completing this form for a Final Charter School Apportionment, a charter school shall be treated as a school district.

SPECIFIC INSTRUCTIONS

The district must assign a Project Tracking Number (PTN) to this project. The same PTN is used by the OPSC, the DSA and the CDE for all project applications submitted to those agencies to track a particular project through the entire state application review process. If the district has already assigned a PTN to this project by prior submittal of the P&S to either the DSA or the CDE for approval, use that PTN for this application submittal. If no PTN has been previously assigned for this project, a PTN may be obtained from the OPSC Web site at www.dgs.ca.gov/opsc "PT Number Generator."

1. **Type of Application**

   Check the appropriate box that indicates the type of School Facility Program (SFP) grant the district is requesting for purposes of new construction, modernization, a separate design and/or site apportionment, site apportionment as an environmental hardship or New Construction (Final Apportionment). If the application is for the modernization of school facilities and includes facilities that are eligible for an additional apportionment pursuant to Section 1859.78.8, include a site diagram with this application that specifies the age of each facility eligible for modernization. The diagram should also indicate the date of its original DSA plan approval and the date the facility received its prior modernization apportionment. If known include the project modernization number on the diagram. If the application is for modernization of a California School for the Deaf or Blind, the CDE shall check the box identified as Modernization of California Schools for the Deaf/Blind. If the request is for a separate design apportionment, the CDE shall check the appropriate box. If the eligibility for this project was established as a result of the need for new or replacement facilities pursuant to Section 1859.82 (a) and (b), seismic replacement or seismic rehabilitation for the Most Vulnerable Category 2 Buildings, or rehabilitation pursuant to Section 1859.83 (e), check the appropriate box(es).

   If this request is for an addition to an existing site and advance funding for the evaluation and RA costs, check the appropriate box and refer to Section 1859.74.4.

   If this request is for an Overcrowding Relief Grant, check the New Construction (Overcrowding Relief Grant) box.

   If this request is to convert a Preliminary Apportionment or a Preliminary Charter School Apportionment to a Final Apportionment, check the New Construction Final Apportionment, New Construction Final Charter School Apportionment or the Rehabilitation Final Charter School Apportionment box, as appropriate.

   If the district is requesting a separate site and/or design apportionment, complete boxes 2a, 3, 4, the site acquisition data in box 5 (d and e), and boxes 12, 13, 14, 15 and 23 only.

2. **Type of Project**

   a. Select the type of project that best represents this application request and enter the total number of pupils assigned to the project for each grade group. Include pupils to be housed in a new or replacement school authorized by Section 1859.82 (a). The amount entered cannot exceed the district's baseline eligibility determined on Form SAB 50-03 and will be the basis for the amount of the new construction or modernization grants provided for the project.

      If this request is for a Final Apportionment, the pupils assigned to the project must be at least 75 percent, but not more than 100 percent, of the pupils that received the Preliminary Apportionment. Refer to Section 1859.147.

      For ORG projects, the amount entered cannot exceed the Overcrowding Relief Pupil Eligibility (pursuant to Section 1859.182 and 1859.183) as reflected in the total number of eligible pupils determined by the Form SAB 50-11 or the CDE Overcrowding Relief Grant Eligibility Determination form.

   b. Check the box if the project is eligible for funding for 50 year or older permanent buildings and report, at the option of the district:

      - The total number of eligible classrooms or the total eligible square footage building area at the site. Refer to Section 1859.78.6(b)(1)(A) or (b)(2)(A).
      - The total number of permanent classrooms or the total permanent square footage building area that is at least 50 years old and not been previously modernized with state funds. Refer to Section 1859.78.6(b)(1)(B) or (b)(2)(B).
      - Enter the greater percentage as calculated under Regulation Section 1859.78.6(b)(1)(C) or Regulation Section 1859.78.6(b)(2)(C).
      - If this project includes eligible 50 year or older pupil grants, enter the appropriate number assigned to the project for each grade group. The number of pupils entered cannot exceed the cumulative number of 50 year or older permanent buildings pupil grants requested for all modernization funding applications for the site as determined by using the percentage factor above.

   c. If this request includes pupil grants generated by an Alternative Enrollment Projection Method, enter the number of pupils by grade level.

   d. Indicate if this request is for funding of a 6–8 school and/or an Alternative Education School.

   e. Check the applicable box if the district is requesting additional pupil grants assigned to the project that exceed the capacity of the project or if the pupils

assigned represent eligibility determined at another grade level and check the appropriate box to indicate under which regulation the district is applying. The pupil capacity of the project may be determined by multiplying the classrooms reported in box 3 by 25 for K–6; 27 for 7–8, 9–12 grades; 13 for non-severe and 9 for severe.

f. If the request is for replacement facilities pursuant to Section 1859.82 (a) or (b) on the same site, check the facility hardship box.
g. Enter the square footage of the non-toilet area and toilet area contained in the rehabilitation project.
h. Indicate the site scenario that best represents the project request.
i. For ORG projects, the district must provide the following information in the space provided:
   - Name of the eligible school site(s) where portables will be replaced in this project
   - Number of portables being replaced at each school site
   - Number of site specific eligible pupils being requested for this project for each school site. The total number of site specific eligible pupils assigned to this project must equal the total number of pupils in Section 2a.

3. Number of Classrooms

Enter the:

- Number of classrooms as shown on the plans and specifications (P&S). If there was demolition at the site, report the net increase in the number of classrooms showing in the P&S.
- Master plan site size, as recommended by the California Department of Education.
- Recommended site size, as determined by the California Department of Education.
- Existing Useable Acres already owned at that location (if any).
- Proposed Useable Acres that was/will be purchased as part of the application (if any).

4. Financial Hardship Request

Check the box if the district is requesting financial hardship assistance because it is unable to meet its matching share requirement. Refer to Section 1859.81 for eligibility criteria. Districts requesting financial assistance must have received a pre-approval for financial hardship status by the OPSC. Consult the OPSC Web site at www.dgs.ca.gov/opsc for details and necessary documentation needed in order to determine eligibility.

5. New Construction Additional Grant Request

Check the appropriate box(es) if the district requests an augmentation to the new construction grant for "additional" grants for the items listed or for replacement facilities pursuant to Section 1859.82(a) and (b). Refer to Sections 1859.72 through 1859.76 and 1859.82(a) and (b) for eligibility criteria. Enter the:

a. Therapy area in square feet as provided in Section 1859.72.
b. Multilevel classrooms in the P&S pursuant to Section 1859.73.
c. Check the box if the district is requesting project assistance pursuant to Section 1859.73.1. If the district has not submitted a request for new construction baseline eligibility on a district-wide basis, it must submit a current Form SAB 50-01 based on district-wide enrollment data with this form.
d. If the project the district is requesting SFP funding for does not require an RA, refer to Section 1859.74. If a RA is required on a site that is not leased or an addition to an existing site, refer to Section 1859.74.2. If RAs are required on a leased site or an addition to an existing site, refer to Sections 1859.74.3 or 1859.74.4, respectively. The limitation of 50 percent may be exceeded when unforeseen circumstances exist, the CDE determines that the site is the best available site, and substantiation that the costs are the minimum required to complete the evaluation and RA.

   1) Enter 50 percent of the actual cost.
   2) Enter 50 percent of the appraised value of the site. If the request is made pursuant to Regulation Section 1859.74.5, enter 50 percent of the appraised value.
   3) Enter 50 percent of the allowable relocation cost.
   4) Enter two percent of the lesser of the actual cost or appraised value of the site (minimum $25,000).
   5) Enter 50 percent of the Department of Toxic Substances Control (DTSC) fee for review and approval of the phase one environmental site assessment and preliminary endangerment assessment reports. Refer to Sections 1859.74, 1859.74.1, 1859.74.5, 1859.75, 1859.75.1 and 1859.81.1. ~~If the district is submitting a funding request for new construction under the Small High School Program, enter the 60 percent values.~~

   A project that received site acquisition funds under the Lease-Purchase Program (LPP) as a priority two project is not eligible for site acquisition funds under the SFP. A district-owned site acquired with LPP, SFP or Proposition 1A funds is not eligible for funding under Regulation Section 1859.74.5.

e. Enter 50 percent of the amount allowable for hazardous materials/waste removal and/or remediation for the site acquired pursuant to Sections 1859.74.2, 1859.74.3, 1859.74.4, 1859.75.1 or 1859.81.1. If an RA is required, check the box.
f. Enter 50 percent of eligible service-site development, off-site development including pedestrian safety paths and utilities costs allowed pursuant to Section 1859.76. ~~If the district is submitting a funding request for new construction under the Small High School Program, enter the 60 percent values.~~ Attach cost estimates of the proposed site development work which shall be supported and justified in the P&S. All cost estimates shall reflect 100 percent of the proposed work.

   Check the box if the district is requesting an Additional Grant for General Site Development pursuant to Section 1859.76

g. If the district is requesting replacement facilities on the same site, (including seismic replacement), enter the square footage requested as provided in Section 1859.82(a) or (b).
h. If the request for seismic rehabilitation does not exceed 50 percent of the current replacement cost of the classroom or related facility, report 50 percent of the health/safety seismic mitigation cost and the ancillary costs as authorized by Section 1859.82(a).
i. Enter the square feet of eligible replacement area as provided by Section 1859.73.2.
j. If the district is requesting an Additional Grant for Energy Efficiency pursuant to Section 1859.71.3, enter the percentage of energy efficiency that exceeds Title 24 requirements as prescribed in Section 1859.71.3(a)(3).
k. Check the box(es) if the district requests and the project qualifies for additional funding for fire code requirements authorized in Section 1859.71.2.
l. If the district is requesting an Additional Grant for High Performance Incentive pursuant to Section 1859.70.4, enter the number of high performance points as prescribed in Section 1859.71.6.

6. Modernization Additional Grant Request

a. Check the box if the district is requesting project assistance allowance pursuant to Section 1859.78.2. If the district has not submitted a request for new construction baseline eligibility on a district-wide basis, it must submit a current Form SAB 50-01 based on district-wide enrollment data with this form.

b. If the district is requesting an Additional Grant for Energy Efficiency pursuant to Section 1859.78.5, enter the percentage of energy efficiently that exceeds Title 24 requirements as prescribed in Section 1859.78.5(a)(3).

c. Check the box if the district requests an additional grant for site development utility cost necessary for the modernization of 50 years or older permanent building(s). Enter 60 percent of the eligible costs allowable pursuant to Section 1859.78.7(a).

~~d. Check the box if the district is requesting a Separate Apportionment for Reconfiguration pursuant to Section 1859.78.9. Enter the full value of the Reconfiguration request, not to exceed an aggregate of $500,000 for all high school entities created.~~

~~e~~d. Check the box(es) if the district requests and the project qualifies for additional funding for fire code requirements authorized in Section 1859.78.4.

~~f~~e. If the district is requesting an Additional Grant for High Performance Incentive pursuant to Section 1859.70.4, enter the number of high performance points as prescribed in Section 1859.77.4.

7. Excessive Cost Hardship Request

Check the appropriate box to request an augmentation to the New Construction, Modernization or Charter School Facility Program Rehabilitation Grants for an excessive cost hardship for the items listed. Refer to Section 1859.83 for eligibility criteria. Requests for excessive cost grants for accessibility requirements are allowed only if required by the Division of the State Architect (DSA). At the district's option, the district may request three percent of the modernization base grant or enter 60 percent of the amount calculated pursuant to Regulation Section 1859.83(f). Attach a copy of the DSA approved list that shows the minimum work necessary for accessibility requirements.

If the request is for the excessive cost grant for a new Alternative Education school pursuant to Section 1859.83(c)(2) and the district wishes to request less than the maximum allowance, please submit a letter along with application indicating the desired amount.

If the request is for rehabilitation mitigation, report 80 percent or 60 percent (as appropriate) of health/safety rehabilitation mitigation cost for a modernization project as authorized by Section 1859.83(e).

8. Project Priority Funding Order

Enter the priority order of this project in relation to other new construction applications submitted by the district on the same date. If applications are not received on the same date, the OPSC will assign a higher district priority to the application received first. Check the box(es) if the project meets the criteria outlined in Section 1859.92(c)(3),(4) and (6), as appropriate. This information is needed for purposes of priority points.

9. Prior Approval Under the LPP

If the project the district is requesting SFP grants for received a Phase P, S, or C approval under the LPP, report the application number of that project, regardless if the project actually received funding or was included on an "unfunded" list. Failure to report this information may delay the processing of the application by the OPSC.

10. Prior Apportionment Under the SFP

If the project received a separate apportionment under the SFP for either site and/or design, or site environmental hardship, enter the application number of the project. Failure to report this information may delay the processing of the application by the OPSC.

11. Preliminary Apportionment to a Final Apportionment

If this request is to convert a Preliminary Apportionment to a Final Apportionment, enter the application number of the Preliminary Apportionment. Failure to report this information may delay the processing of the application by the OPSC.

12. Alternative Developer Fee

The district must report certain alternative fees collected pursuant to Government Code Section 65995.7, as of the date of application submittal to the OPSC. Refer to Section 1859.77 for details. Districts are advised that the OPSC may perform an audit of the developer fees collected prior to application approval by the Board.

13. Adjustment to New Construction Baseline Eligibility

Pursuant to Section 1859.51 certain adjustments to the district's new construction baseline eligibility must be made each time a district submits Form SAB 50-04, to the OPSC for SFP new construction or modernization grants. These adjustments are made by the OPSC based on information reported by the district on this form.

a. Report all classroom(s) provided after the district submitted its request for determination of its new construction baseline eligibility for the grades shown, or indicate N/A if there are none. Refer to Section 1859.51(i).

In the additional classroom column, indicate the number of additional net classrooms provided if not previously reported.

In the replacement classroom column, indicate the number of classrooms that were included in the determination of the district's new construction eligibility pursuant to Education Code Section 17071.75 but replaced in a locally funded project.

Enter the date the initial construction contract was signed for additional or replacement classrooms.

14. Pending Reorganization Election

Complete only for new construction projects. Indicate if there is a pending reorganization election that will result in a loss of eligibility for this project. If the answer is "yes", the district must complete Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03, to adjust the district's new construction baseline eligibility as a result of the reorganization and submit them with this form.

15. Joint-Use Facility/Leased Property

Check the box if:

a. The facilities to be constructed/modernized as part of this project will be for joint use by other governmental agencies.

b. The new construction or modernization grants will be used for facilities located or to be located on leased property.

16. Project Progress Dates

Complete this section for new construction/modernization projects:

a. Enter the date the initial construction contract was signed for this project. If a construction contract has not been executed, enter N/A.

b. Enter the issue date for the Notice to Proceed for the construction phase of the project, or enter N/A if a Notice to Proceed has not been issued.

17. Labor Compliance Program

Indicate whether the district is subject to a Labor Compliance Program that has been approved by the Department of Industrial Relations pursuant to Labor Code Section 1771.7 by checking the appropriate box.

18. Construction Delivery Method

Check the box that best represents the construction delivery method that the district has or will use for this project, if known.

19. Career Technical Education Funds Request

Indicate if Career Technical Education (CTE) funds will be requested for classroom(s) included in the plans and specifications for this project pursuant to Section 1859.193. If "Yes", enter the number of CTE classroom(s) shown on the P&S.

20. Overcrowding Relief Grant Narrative

The district must either provide an explanation in the space provided or attach a letter signed by the district representative detailing how this project will relieve overcrowding.

21. Architect of Record or Licensed Architect Certification

The architect of record or the licensed architect must complete this section.

22. Architect of Record or Design Professional Certification

The architect of record or the appropriate design professional must complete this section.

23. Certification

The district representative must complete this section. For additional information regarding district certifications, refer to the SFP handbook located on the OPSC web site at www.dgs.ca.gov/opsc.

The school district named below applies to the State Allocation Board via the Office of Public School Construction for a grant under the provisions of Chapter 12.5, Part 10, Division 1, commencing with Section 17070.10, et seq., of the Education Code and the Regulations thereto.

SCHOOL DISTRICT		APPLICATION NUMBER
SCHOOL NAME		PROJECT TRACKING NUMBER
COUNTY	DISTRICT REPRESENTATIVE'S E-MAIL ADDRESS	HIGH SCHOOL ATTENDANCE AREA (HSAA) OR SUPER HSAA (IF APPLICABLE)

1. Type of Application—Check Only One

- ☐ New Construction
- ☐ New Construction (Final Apportionment)
- ☐ New Construction (Final Charter School Apportionment)
- ~~☐ New Construction (Small High School Program)~~
- ☐ New Construction (Overcrowding Relief Grant)
- ☐ Rehabilitation (Final Charter School Apportionment)
- ☐ Modernization
- ☐ Modernization of California Schools for Deaf/Blind

Separate Apportionment

- ☐ Site Only—New Construction [Section 1859.81.1]
- ☐ Site Only (District owned)—New Construction [Section 1859.81.2]
- ☐ Site Only—Environmental Hardship [Section 1859.75.1]
- ☐ Design Only—New Construction [Section 1859.81.1]
- ☐ Design Only—New Construction with High Performance
- ☐ Design Only—Modernization
- ☐ Design Only—Modernization with High Performance
- ☐ Design Only—Modernization of California Schools for Deaf/Blind
- ☐ Facility Hardship [Section 1859.82(a)]
  - ☐ Seismic Replacement
  - ☐ Seismic Rehabilitation
- ☐ Facility Hardship [Section 1859.82(b)]
- ☐ Rehabilitation [Section 1859.83(e)]
- ☐ Advance Funding for Evaluation and RA

2. Type of Project

a. ☐ Elementary School
☐ Middle School
☐ High School

Total Pupils Assigned:
K–6: _____
7–8: _____
9–12: _____
Non-Severe: _____
Severe: _____

b. ☐ 50 Years or Older Building Funding (Modernization Only)
Total Eligible Classrooms/Square Footage: _____
Classroom/Square Footage at Least 50 Years Old: _____
Ratio of 50 Years Old Classrooms/Square Footage: _____ %
From 2a above, how many are 50 Year or Older Pupil Grants?
K–6: _____
7–8: _____ Non-Severe: _____
9–12: _____ Severe: _____

c. Included in 2a above, how many pupils are generated by the Alternative Enrollment Projection? (New Construction Only)
K–6: _____
7–8: _____ Non-Severe: _____
9–12: _____ Severe: _____

d. Is this a 6–8 school? ☐ Yes ☐ No
If you answered yes, how many K–6 pupils reported above are sixth graders? _____
Is this an Alternative Education School? ☐ Yes ☐ No

e. Is this a use of grant request pursuant to Section 1859.77.2? ☐ Yes ☐ No
Is this request pursuant to Section 1859.77.2(c)? ☐ Yes ☐ No
If yes, enter date of successful bond election: _____
Is this a use of grant request pursuant to Section 1859.77.3? ☐ Yes ☐ No
Is this request pursuant to Section 1859.77.3(c)? ☐ Yes ☐ No
If yes, enter date of successful bond election: _____

f. ☐ Facility Hardship (no pupils assigned)

g. Charter School Facility Program Rehabilitation Request:
Toilets (sq. ft.) _____
Other (sq. ft.) _____

h. Project to be located on:
- ☐ Leased Site
- ☐ New Site
- ☐ Existing Site with Additional Acreage Acquired
- ☐ Existing Site with No Additional Acreage Acquired

i. ORG Projects Only

NAME OF ELIGIBLE SCHOOL SITE(S)	NUMBER OF PORTABLES BEING REPLACED	NUMBER OF SITE SPECIFIC ELIGIBLE PUPILS BEING REQUESTED
	Total	

3. Number of Classrooms: _____
Master Plan Acreage Site Size (Useable): _____
Recommended Site Size (Useable): _____
Existing Acres (Useable): _____
Proposed Acres (Useable): _____

4. ☐ Financial Hardship Request—Must Have Pre-Approval by OPSC

5. New Construction Additional Grant Request—New Construction Only

a. Therapy:
Toilets (sq. ft.) _____
Other (sq. ft.) _____

b. Multilevel Construction (CRS): _____

c. ☐ Project Assistance

d. Site Acquisition:
(1) 50 percent Actual Cost: $ _____
(2) 50 percent Appraised Value: $ _____
(3) 50 percent Relocation Cost: $ _____
(4) 2 percent (min. $25,000): $ _____
(5) 50 percent DTSC Fee: $ _____

e. 50 percent hazardous waste removal: $ _____
☐ Response Action (RA)

f. Site Development
☐ 50 percent Service-Site: $ _____
☐ 50 percent Off-Site: $ _____
☐ 50 percent Utilities: $ _____
☐ General Site

g. Facility Hardship Section 1859.82(a) or (b)
☐ Toilet (sq. ft.): _____
☐ Other (sq. ft.): _____

h. ☐ Seismic Rehabilitation [Section 1859.82(a)] $ _____

i. Replacement area
☐ Toilet (sq. ft.): _____
☐ Other (sq. ft.): _____

j. ☐ Energy Efficiency: _____ %

k. ☐ Automatic Fire Detection/Alarm System
☐ Automatic Sprinkler System

l. ☐ High Performance Incentive (Indicate Points): _____

6. Modernization Additional Grant Request—Modernization Only

a. ☐ Project Assistance

b. ☐ Energy Efficiency: _____ %

c. ☐ Site Development—60 percent utilities: $ _____

~~d. ☐ Separate Apportionment for Reconfiguration (for Small High School Program only): $ _____~~

~~e~~d. ☐ Automatic Fire Detection/Alarm System

~~f~~e. ☐ High Performance Incentive (Indicate Points): _____

7. Excessive Cost Hardship Request

New Construction Only

☐ Geographic Percent Factor: _____ %
☐ New School Project [Section 1859.83(c)(1)]
☐ New School Project [Section 1859.83(c)(2)]
☐ New School Project [Section 1859.83(c)(3)]
☐ Small Size Project
☐ Urban/Security/Impacted Site;
If a new site, $ _____ per Useable Acre [Section 1859.83(d)(2)(C)]

Modernization or Charter School Facility Program Rehabilitation Only

☐ Rehabilitation/Mitigation [Section 1859.83(e)]: $ _____
☐ Geographic Percent Factor: _____ %
☐ Accessibility/Fire Code
☐ 3 percent of base grant; or,
☐ 60 percent of minimum work $ _____
☐ Number of 2-Stop Elevators: _____
☐ Number of Additional Stops: _____
☐ Small Size Project
☐ Urban/Security/Impacted site

8. Project Priority Funding Order—New Construction Only

Priority order of this application in relation to other new construction applications submitted by the district at the same time: # _____

Project meets:
☐ Density requirement pursuant to Section 1859.92(c)(3).
☐ Stock plans requirement pursuant to Section 1859.92(c)(4).
☐ Energy efficiency requirement pursuant to Section 1859.92(c)(6).

9. Prior Approval Under the LPP

New Construction: 22/ _____
Modernization: 77/ _____

10. Prior Apportionment Under the SFP

Site/Design—New Construction: 50/ _____
Design—Modernization: 57/ _____

11. Preliminary Apportionment to Final Apportionment

Preliminary Apportionment Application Number: # _____

12. Alternative Developer Fee—New Construction Only

Alternative developer fee collected and reportable pursuant to Regulation Section 1859.77: $ _____

13. Adjustment to New Construction Baseline Eligibility

a. Classroom(s) provided:

Additional		Replacement	
K–6:	_____	K–6	_____
7–8:	_____	7–8	_____
9–12:	_____	9–12	_____
Non-Severe:	_____	Non-Severe	_____
Severe:	_____	Severe	_____

Construction Contract(s) for the project signed on:
_____ _____

14. Pending Reorganization Election—New Construction Only ☐ Yes ☐ No

15. Joint-Use Facility/Leased Property

a. ☐ Joint-Use Facility
b. ☐ Leased Property

16. Project Progress Dates

a. Construction Contract signed on: _____
b. Notice to Proceed issued on: _____

17. Labor Compliance Program

Will you be required to initiate and enforce a Labor Compliance Program pursuant to Labor Code Section 1771.7 for this project? ☐ Yes ☐ No

18. Construction Delivery Method

☐ Design-Bid-Build
☐ Design-Build
☐ Developer Built
☐ Lease Lease-Back
☐ Energy Performance Contract
☐ This project includes or will include piggyback contract(s) as defined in Section 1859.2
☐ Other: _____

19. Career Technical Education Funds Request

Will CTE Funds be requested for classroom(s) included in the plans and specifications for this project? ☐ Yes ☐ No
Number of CTE classroom(s): _____

20. Overcrowding Relief Grant Narrative

_____
_____
_____
_____

21. Architect of Record or Licensed Architect Certification

I certify as the architect of record for the project or as a licensed architect that:

- The P&S for this project were submitted to the OPSC by electronic medium (i.e., CD-ROM, zip disk or diskette) or as an alternative, if the request is for a modernization Grant, the P&S were submitted in hard copy to the OPSC.
- Any portion of the P&S requiring review and approval by the Division of the State Architect (DSA) were approved by the DSA on _____ (enter DSA approval date).
- Any portion of the P&S not requiring review and approval by the DSA meets the requirements of the California Code of Regulations, Title 24, including any handicapped access and fire code requirements.
- If the request is for a Modernization or Charter School Facility Program Rehabiliation Grant, the P&S include the demolition of more classrooms than those to be constructed in the project, the difference is _____ classroom(s). (Indicate N/A if there are none.)
- If the request is for a Modernization or Charter School Facility Program Rehabiliation Grant, the P&S include the construction of more classrooms than those to be demolished in the project, the difference is _____ classroom(s). (Indicate N/A if there are none.)

ARCHITECT OF RECORD OR LICENSED ARCHITECT (PRINT NAME)

SIGNATURE	DATE

22. Architect of Record or Design Professional Certification

I certify as the architect of record for the project or the appropriate design professional, that:

- If the request is for a New Construction Grant, not including the ORG, I have developed a cost estimate of the proposed project which indicates that the estimated construction cost of the work in the P&S including deferred items (if any) relating to the proposed project, is at least 60 percent of the total grant amount provided by the State and the district's matching share, less site acquisition costs and the High Performance Base Incentive Grant. This cost estimate does not include site acquisition, planning, tests, inspection, or furniture and equipment and is available at the district for review by the OPSC.
- If the request is for a Modernization or Charter School Facility Program Rehabiliation Grant, I have developed a cost estimate of the proposed project which indicates that the estimated construction cost of the work in the P&S, including deferred items and interim housing (if any) relating to the proposed project, is at least 60 percent of the total grant amount provided by the State and the district's matching share , less the High Performance Base Incentive Grant. This cost estimate does not include planning, tests, inspection or furniture and equipment and is available at the district for review by the OPSC.

ARCHITECT OF RECORD OR DESIGN PROFESSIONAL (PRINT NAME)

SIGNATURE	DATE

23. Certification

I certify, as the District Representative, that the information reported on this form, with the exception of items 21 and 22, is true and correct and that:

- I am an authorized representative of the district as authorized by the governing board of the district; and,
- A resolution or other appropriate documentation supporting this application under Chapter 12.5, Part 10, Division 1, commencing with Section 17070.10, et. seq., of the Education Code was adopted by the school district's governing board or the designee of the Superintendent of Public Instruction on, _____; and,
- The district has established a "Restricted Maintenance Account" for exclusive purpose of providing ongoing and major maintenance of school buildings and has developed an ongoing and major maintenance plan that complies with and is implemented under the provisions of Education Code Section 17070.75 and 17070.77 (refer to Sections 1859.100 through 1859.102); and,
- Pursuant to Education Code Section 17070.755, the district has made a priority of the funds in the restricted maintenance account, established pursuant to Education Code Section 17070.75, to ensure that facilities are functional and meet local hygiene standards; and,
- The district has considered the feasibility of the joint use of land and facilities with other governmental agencies in order to minimize school facility costs; and,
- If this funding request is for the modernization of portable classrooms eligible for an additional apportionment pursuant to Education Code Section 17073.15, the district certifies that (check the applicable box below):
  - ☐ 1. The state modernization funds will be used to replace the portable classrooms and permanently remove the displaced portables from the classroom use within six months of the filing of the Notice of Completion for the project; or,
  - ☐ 2. It has provided documentation to the Office of Public School Construction which indicates that modernizing the portable classrooms eligible for an additional apportionment is better use of public resources than the replacement of these facilities.
- Facilities to be modernized have not been previously modernized with Lease-Purchase Program, Proposition 1A Funds or School Facility Program state funds; and,
- Facilities to be rehabilitated under the Charter School Facility Program previously funded with School Facility Program State funds meet the requirements of Section 1859.163.6; and,
- All contracts entered on or after November 4, 1998 for the service of any architect structural engineer or other design professional for any work under the project have been obtained pursuant to a competitive process that is consistent with the requirements of Chapter 10 (commencing with Section 4525) of Division 5, of Title 1, of the Government Code; and,
- If this request is for new construction funding, the district has received approval of the site and the plans from the CDE. Plan approval is not required if request is for separate design apportionment; and,
- If this request is for modernization or Charter School Facility Program Rehabilitation funding, the district has received approval of the plans for the project from the CDE. Plan approval is not required if request is for separate design apportionment; and,
- The district has or will comply with the Public Contract Code regarding all laws governing the use of force account labor; and,
- This district has or will comply with Education Code Section 17076.11 regarding at least a 3 percent expenditure goal for disabled veteran business enterprises; and,
- The district matching funds required pursuant to Sections 1859.77.1 or 1859.79 has either been expended by the district, deposited in the County School Facility Fund or will be expended by the district prior to the notice of completion for the project; and,
- The district has received the necessary approval of the plans and specifications from the Division of the State Architect unless the request is for a separate site and/or design apportionment; and,
- If the district is requesting site acquisition funds as part of this application, the district has complied with Sections 1859.74 through 1859.75.1 as appropriate; and,
- With the exception of an apportionment made pursuant to Section 1859.75.1, the district understands that the lack of substantial progress toward increasing

the pupil capacity or renovation of its facilities within 18 months of receipt of any funding shall be cause for the rescission of the unexpended funds (refer to Section 1859.105); and,

- If the apportionment for this project was made pursuant to Section 1859.75.1, the district understands that the lack of substantial progress toward increasing the pupil capacity or renovation of its facilities within 12 months of receipt of any funding shall be cause for the rescission of the unexpended funds (refer to Section 1859.105.1); and,
- The district understands that funds not released within 18 months of apportionment shall be rescinded and the application shall be denied (refer to Section 1859.90); and,
- The statements set forth in this application and supporting documents are true and correct to the best of my knowledge and belief; and,
- All school facilities purchased or newly constructed under the project for use by pupils who are individuals with exceptional needs, as defined in Education Code Section 56026, shall be designed and located on the school site so as to maximize interaction between those individuals with exceptional needs and other pupils as appropriate to the needs of both; and,
- This form is an exact duplicate (verbatim) of the form provided by the OPSC. In the event a conflict should exist, the language in the OPSC form will prevail; and,
- The district understands that some or all of the State funding for the project must be returned to the State as a result of an audit pursuant to Sections 1859.105, 1859.105.1, 1859.106; and,
- The district has complied with the provisions of Sections 1859.76 and 1859.79.2 and that the portion of the project funded by the State does not contain work specifically prohibited in those Sections; and,
- If the SFP grants will be used for the construction or modernization of school facilities on leased land, the district has entered into a lease agreement for the leased property that meets the requirements of Section 1859.22; and,
- If the application contains a "Use of New Construction Grant" request, the district has adopted a school board resolution and housing plan at a public hearing at a regularly scheduled meeting of the governing board on _____ as specified in Sections 1859.77.2, or 1859.77.3, as appropriate. The district's approved housing plan is as indicated (check all that apply):
  - ☐ 1. The district will construct or acquire facilities for housing the pupils with funding not otherwise available to the SFP as a district match within five years of project approval by the SAB and the district must identify the source of the funds. [Applicable for Sections 1859.77.2(a) and (b) and 1859.77.3(a) and (b)]
  - ☐ 2. The district will utilize higher district loading standards providing the loading standards are within the approved district's teacher contract and do not exceed 33:1 per classroom. [Applicable for Sections 1859.77.2(a) and (b) and 1859.77.3(a) and (b)]
  - ☐ 3. The pupils requested from a different grade level will be housed in classrooms at an existing school in the district which will have its grade level changed, to the grade level requested, at the completion of the proposed SFP project. [Applicable for Sections 1859.77.2(b) and 1859.77.3(b)]
- If the district requested additional funding for fire code requirements pursuant to Sections 1859.71.2 or 1859.78.4, the district will include the automatic fire detection/alarm system and/or automatic sprinkler system in the project prior to completion of the project; and
- The district has consulted with the career technical advisory committee established pursuant to Education Code Section 8070 and the need for vocational and career technical facilities is being adequately met in accordance with Education Code Sections 51224, 51225.3(b), and 51228(b), and 52336.1; and,
- If the district is requesting an Additional Grant for Energy Efficiency pursuant to Sections 1859.71.3 or 1859.78.5, the increased costs for the energy efficiency components in the project exceeds the amount of funding otherwise available to the district; and,
- If this application is submitted after January 1, 2004 for modernization funding, the district has considered the potential for the presence of lead-containing materials in the modernization project and will follow all relevant federal, state, and local standards for the management of any identified lead; and
- The district has or will initiate and enforce a Labor Compliance Program that has been approved by the Department of Industrial Relations, pursuant to Labor Code Section 1771.7, if the project is funded from Propositions 47 or 55 and the Notice to Proceed for the construction phase of the project is issued on or after April 1, 2003; and,
- Beginning with the 2005/2006 fiscal year, the district has complied with Education Code Section 17070.75(e) by establishing a facilities inspection system to ensure that each of its schools is maintained in good repair; and
- ~~If this application is submitted pursuant to Section 1859.93.2, the district certifies that is has an academic reform strategy scored by the CDE, and is available at the district office for OPSC verification; and~~
- ~~If this application is submitted pursuant to Section 1859.93.2, the district certifies the enrollment at the Small High School will not exceed 500 pupils for a minimum of two complete school years after the Occupancy of the last Small High School funded, as outlined in Section 1859.104(e)(2); and~~
- ~~If this application is submitted pursuant to Section 1859.78.9, the district certifies the enrollment at the resulting Small High Schools will not exceed 500 pupils for a minimum of two complete school years after the Occupany of the Small High Schools; and~~
- ~~If this application is submitted pursuant to Section 1859.78.9 or Section 1859.93.2, the district certifies that it will meet all reporting requirements as specified in Section 1859.104(e)(1) and/or (2) ; and~~
- If this application is submitted pursuant to Section 1859.180, the district certifies that within six months of occupancy of the permanent classrooms, it will remove the replaced portables from the eligible school site and K–12 grade classroom use with the exception of schools described in Education Code Section 17079.30(c)., and
- The district has considered the feasibility of using designs and materials for the new construction or modernization project that promote the efficient use of energy and water, maximum use of natural light and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and the other characteristics of high performance schools.; and
- If the district is requesting an additional grant for high performance incentive funding, the school district governing board must have a resolution on file that demonstrates support for the high performance incentive grant request and the intent to incorporate high performance features in future facilities projects.

SIGNATURE OF DISTRICT REPRESENTATIVE	DATE

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 25, 2012

INDEX ADJUSTMENT ON THE ASSESSMENT FOR DEVELOPMENT

PURPOSE OF REPORT

To report the index adjustment on the assessment for development which may be levied pursuant to Education Code Section 17620.

DESCRIPTION

The law requires the maximum assessment for development be adjusted every two years by the change in the Class B construction cost index, as determined by the State Allocation Board (Board) at its January meeting. This item requests that the Board make the adjustment it considers appropriate.

AUTHORITY

Education Code Section 17620(a)(1) states the following: "The governing board of any school district is authorized to levy a fee, charge, dedication, or other requirement against any construction within the boundaries of the district, for the purpose of funding the construction or reconstruction of school facilities, subject to any limitations set forth in Chapter 4.9 (commencing with Section 65995) of Division 1 of Title 7 of the Government Code."

Government Code Section 65995(b)(3) states the following: "The amount of the limits set forth in paragraphs (1) and (2) shall be increased in 2000, and every two years thereafter, according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the State Allocation Board at its January meeting, which increase shall be effective as of the date of that meeting."

BACKGROUND

There are three levels that may be levied for developer's fees. The fees are levied on a per-square foot basis. The lowest fee, Level I, is assessed if the district conducts a Justification Study that establishes the connection between the development coming into the district and the assessment of fees to pay for the cost of the facilities needed to house future students. The Level II fee is assessed if a district makes a timely application to the Board for new construction funding, conducts a School Facility Needs Analysis pursuant to Government Code Section 65995.6, and satisfies at least two of the requirements listed in Government Code Section 65995.5(b)(3). The Level III fee is assessed when State bond funds are exhausted; the district may impose a developer's fee up to 100 percent of the School Facility Program new construction project cost.

In 2010, the Board did not adjust the fee since it decreased, which kept it at the 2008 rate of $2.97 per square foot for Residential and $.47 per square foot for Commercial/Industrial.

(Continued on Page Two)

STAFF ANALYSIS/STATEMENTS

The assessment for development fees for 2006, 2008, 2010, and 2012 are shown below for information. According to the Marshall & Swift (M&S) Eight California Cities Index and Ten Western States Index and the Lee Saylor Index, the cost index for Class B construction adjusted by 8.21, 6.70 and 5.49 percent respectively during the period of January 2010 through January 2012, requiring the assessment for development fees to be adjusted as follows:

Eight California Cities Index Maximum Level I Assessment Per Square Foot

	2006	2008	2010	2012
Residential	$2.63	$2.97	$2.96	3.20
Commercial/Industrial	.42	.47	.47	.51

Ten Western States Index Maximum Level I Assessment Per Square Foot

	2006	2008	2010	2012
Residential	$2.63	$2.97	$3.00	3.20
Commercial/Industrial	.42	.47	.47	.50

Lee Saylor Index Maximum Level I Assessment Per Square Foot

	2006	2008	2010	2012
Residential	$2.62	$2.86	$2.98	3.14
Commercial/Industrial	.42	.46	.48	.51

The M&S Eight California Cities Index fits most appropriately for the construction projects in California. Additionally, it will provide more assessment collection to school districts than the alternate indices.

RECOMMENDATION

Adjust the 2012 maximum Level I assessment for development using the M&S Eight California Cities Index to be effective immediately.

BOARD ACTION

In considering this Item, the SAB approved the staff's recommendation, which adjusted the 2012 maximum Level I assessment for development using the Marshall & Swift Eight California Cities Index to be effective immediately. The Class B Construction Cost Index adjustment increased by 8.21 percent, which adjusted the Residential from $2.96 per square foot to $3.20 per square foot and the Commercial/Industrial from $.47 per square foot to $.51 per square foot.

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 25, 2012

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

PURPOSE OF REPORT

To adopt the annual adjustment in the School Facility Program (SFP) Grants based on the change in construction costs pursuant to the Education Code (EC) and SFP Regulations.

DESCRIPTION

This item provides a comparison of several construction cost indices and shows the rate of change for the current year. The Board must select an index to be used to adjust the SFP grants amounts for calendar year 2012.

AUTHORITY

For New Construction grant, EC Section 17072.10(b) states, "The board annually shall adjust the per-unhoused-pupil apportionment to reflect construction cost changes, as set forth in the statewide cost index for class B construction as determined by the board."

EC Section 17072.11(a)(3) states, "The board shall conduct an analysis of the relationship between the per-unhoused-pupil grant eligibility determined under this article and the per-pupil cost of new school construction for elementary, middle, and high school pupils."

For Modernization funding, EC Section 17074.10(b) states, "The board shall annually adjust the factors set forth in subdivision (a) according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the board."

SFP Regulations Section 1859.71 states, "The new construction per-unhoused-pupil grant amount, as provided by Education Code Section 17072.10(a), will be adjusted annually based on the change in the Class B Construction Cost Index as approved by the Board each January. The new construction per-unhoused-pupil grant amount, as provided by Education Code Section 17072.10(a), may be increased by an additional amount not to exceed six percent in a fiscal year, or decreased, based on the analysis of the current cost to build schools as reported on the Project Information Worksheet (New 09/07) which shall be submitted with the Forms SAB 50-05 and 50-06 and as approved by the Board."

For the assistance on Small School Districts' new construction projects, SFP Regulations Section 1859.73.1 and Section 1859.78.2 both states the amount will be adjusted annually based on the change in the Class B Construction Cost Index as approved by the Board each January.

SFP Regulations Section 1859.78 states, "The modernization per-unhoused-pupil grant amount, as provided by Education Code Section 17074.10(a), will be adjusted annually based on the change in the Class B Construction Cost Index as approved by the Board each January."

BACKGROUND

Statute requires an annual adjustment to the per-unhoused-pupil grant amounts of the SFP based on the change in the statewide Class B Construction Cost Index (CCI) each January.

(Continued on Page Two)

BACKGROUND (cont.)

Prior to January 1, 2005, base grant amount adjustments were based on the Marshall & Swift (M&S) Ten Western States Index. At the March 2005 State Allocation Board (Board) meeting, the Board adopted the M&S Eight California Cities Index as the index most closely reflecting the building climate in California. In December 2007, the Board used the M&S Ten Western States Index. The 2009, 2010, and 2011 adjustments were made according to the M&S Eight California Cities Index.

STAFF ANALYSIS/STATEMENTS

Staff recommends the M&S Eight California Cities Index since it most accurately reflects the conditions under which districts will be building their schools with the SFP. The M&S Eight California Cities Index is the only Class B index that uses exclusively California cities to capture material and prevailing wage costs in California.

Attachment A shows the CCI for three indices: M&S Eight California Cities, M&S Ten Western States and Lee Saylor Index (LSI). While the LSI reflects a slightly higher increase, the LSI uses up to 20 U.S. cities nationwide, only two of which (San Francisco and Los Angeles) are in California. Staff would not consider the LSI because it does not satisfy the Board's intention to adopt the index that is most closely aligned with California school construction costs.

The M&S Eight California Cities CCI increased by 3.76 percent during the period of January 1, 2011 through December 31, 2011. The figures shown on Attachment B reflect the calculated increase. Attachment B also notes the specific regulation sections.

RECOMMENDATION

Adopt the M&S Eight California Cities CCI adjustment for 2012 SFP grants.

BOARD ACTION

In considering this Item, the SAB approved the staff's recommendation, which adopted the Marshall & Swift Eight California Cities Construction Cost Index adjustment for 2012 SFP grants. The Class B Construction Cost Index increased by 3.76 percent. In addition, the SAB discussed making the Marshall & Swift Eight California Cities Index the permanent Index and not compare the Marshall & Swift Ten Western States Index because the cost of construction should only be based on the cost of construction in California.

ATTACHMENT A

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS
State Allocation Board Meeting, January 25, 2012

Grant Amount Adjustments

		Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-11	Current Grant Per Pupil Effective 1-1-12
New Construction	Elementary	1859.71	$9,112	$9,455
	Middle	1859.71	$9,637	$9,999
	High	1859.71	$12,260	$12,721
	Special Day Class – Severe	1859.71.1	$25,601	$26,564
	Special Day Class – Non-Severe	1859.71.1	$17,121	$17,765
	Automatic Fire Detection/Alarm System – Elementary	1859.71.2	$11	$11
	Automatic Fire Detection/Alarm System – Middle	1859.71.2	$15	$16
	Automatic Fire Detection/Alarm System – High	1859.71.2	$24	$25
	Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.71.2	$47	$49
	Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.71.2	$32	$33
	Automatic Sprinkler System – Elementary	1859.71.2	$153	$159
	Automatic Sprinkler System – Middle	1859.71.2	$182	$189
	Automatic Sprinkler System – High	1859.71.2	$189	$196
	Automatic Sprinkler System – Special Day Class – Severe	1859.71.2	$484	$502
	Automatic Sprinkler System – Special Day Class – Non-Severe	1859.71.2	$324	$336
Modernization	Elementary	1859.78	$3,470	$3,600
	Middle	1859.78	$3,671	$3,809
	High	1859.78	$4,804	$4,985
	Special Day Class - Severe	1859.78.3	$11,054	$11,470
	Special Day Class – Non-Severe	1859.78.3	$7,396	$7,674
	State Special School – Severe	1859.78	$18,429	$19,122
	Automatic Fire Detection/Alarm System – Elementary	1859.78.4	$111	$115
	Automatic Fire Detection/Alarm System – Middle	1859.78.4	$111	$115
	Automatic Fire Detection/Alarm System – High	1859.78.4	$111	$115
	Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.78.4	$310	$322
	Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.78.4	$208	$216
	Over 50 Years Old – Elementary	1859.78.6	$4,819	$5,000
	Over 50 Years Old – Middle	1859.78.6	$5,098	$5,290
	Over 50 Years Old – High	1859.78.6	$6,674	$6,925
	Over 50 Years Old – Special Day Class – Severe	1859.78.6	$15,360	$15,938
	Over 50 Years Old – Special Day Class – Non-Severe	1859.78.6	$10,272	$10,658
	Over 50 Years Old – State Special School – Severe	1859.78.6	$25,601	$26,564

(Continued on Page Two)

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

Grant Amount Adjustments

New Construction / Modernization / Joint-Use	Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-11	Current Grant Per Pupil Effective 1-1-12
Therapy/Multipurpose Room/Other (per square foot)	1859.72 1859.73.2 1859.82 1859.125 1859.125.1	$148	$154
Toilet Facilities (per square foot)	1859.72 1859.73.2 1859.82 1859.125 1859.125.1	$268	$278
New Construction Only			
Parking Spaces	1859.76	$11,586	$12,022
General Site Grant (per acre for additional acreage being acquired)	1859.76	$14,808	$15,365
Project Assistance (for school district with less than 2,500 pupils)	1859.73.1	$5,498	$5,705
Modernization Only			
Two-stop Elevator	1859.83	$92,675	$96,160
Additional Stop	1859.83	$16,680	$17,307
Project Assistance (for school district with less than 2,500 pupils)	1859.78.2	$2,930	$3,040
Facility Hardship / Rehabilitation			
Current Replacement Cost - Other (per square foot)	1859.2	$296	$307
Current Replacement Cost - Toilets (per square foot)	1859.2	$535	$555
Interim Housing – Financial Hardship (per classroom)	1859.81	$30,539	$31,687
Charter School Facilities Program - Preliminary Apportionment Amounts			
Charter School Elementary	1859.163.1	$8,638	$8,963
Charter School Middle	1859.163.1	$9,145	$9,489
Charter School High	1859.163.1	$11,944	$12,393
Charter School Special Day Class - Severe	1859.163.1	$27,524	$28,559
Charter School Special Day Class - Non-Severe	1859.163.1	$18,406	$19,098

(Continued on Page Three)

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

New School Adjustments (Regulation Section 1859.83)

Class- rooms in Project	Elementary School Adjusted Grant Effective 1-1-11	Elementary School Adjusted Grant Effective 1-1-12	Middle School Adjusted Grant Effective 1-1-11	Middle School Adjusted Grant Effective 1-1-12	High School Adjusted Grant Effective 1-1-11	High School Adjusted Grant Effective 1-1-12	Alternative Education New School Effective 1-1-11	Alternative Education New School Effective 1-1-12
1	$247,135	$256,427	$1,041,062	$1,080,206	$2,264,383	$2,349,524	$671,438	$696,684
2	$582,315	$604,210	$1,167,718	$1,211,624	$2,355,517	$2,444,084	$814,622	$845,252
3	$874,243	$907,115	$1,297,464	$1,346,249	$2,911,575	$3,021,050	$1,424,060	$1,477,605
4	$1,107,480	$1,149,121	$1,439,568	$1,493,696	$3,405,844	$3,533,904	$1,602,137	$1,662,377
5	$1,300,552	$1,349,453	$1,587,849	$1,647,552	$3,750,292	$3,891,303	$1,780,215	$1,847,151
6	$1,577,040	$1,636,337	$1,737,677	$1,803,014	$4,094,737	$4,248,699	$1,958,293	$2,031,925
7	$1,856,612	$1,926,421	$1,887,502	$1,958,472	$4,439,182	$4,606,095	$2,136,368	$2,216,695
8	$2,071,311	$2,149,192	$2,051,232	$2,128,358	$4,704,854	$4,881,757	$2,323,341	$2,410,699
9	$2,071,311	$2,149,192	$2,224,225	$2,307,856	$4,918,006	$5,102,923	$2,516,432	$2,611,050
10	$2,435,835	$2,527,422	$2,398,765	$2,488,959	$5,129,621	$5,322,495	$2,709,522	$2,811,400
11	$2,435,835	$2,527,422	$2,573,305	$2,670,061	$5,342,772	$5,543,660	$3,458,809	$3,588,860
12	$2,564,037	$2,660,445			$5,537,394	$5,745,600	$3,651,898	$3,789,209
13					$5,728,922	$5,944,329	$3,844,990	$3,989,562
14					$5,920,454	$6,143,063	$4,038,081	$4,189,913
15					$6,113,532	$6,343,401	$4,231,170	$4,390,262
16					$6,305,059	$6,542,129	$4,424,261	$4,590,613
17					$6,498,136	$6,742,466	$4,617,352	$4,790,964
18					$6,689,666	$6,941,197	$4,810,443	$4,991,316
19					$6,881,196	$7,139,929	$5,003,533	$5,191,666
20					$7,074,270	$7,340,263	$5,196,623	$5,392,016
21					$7,265,804	$7,538,998	$5,389,853	$5,592,511
22					$7,457,333	$7,737,729	$5,582,944	$5,792,863
23							$5,776,035	$5,993,214
24							$5,969,125	$6,193,564
25							$6,162,213	$6,393,912
26							$6,355,308	$6,594,268
27							$6,548,397	$6,794,617

Attachment B
State Allocation Board Meeting, January 25, 2012

2011 Construction Cost Indices Comparison Chart

Marshall and Swift 8 California Cities CCI				Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-11	Current Grant Per Pupil Effective 1-1-12
		Resulting Base Grants	Elementary	1859.71	$9,112	$9,455
			Middle	1859.71	$9,637	$9,999
	Increase		High	1859.71	$12,260	$12,721
	3.76%		Special Day Class – Severe	1859.71.1	$25,601	$26,564
Index change from 2011 to 2012			Special Day Class – Non-Severe	1859.71.1	$17,121	$17,765

Lee Saylor Index CCI				Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-11	Current Grant Per Pupil Effective 1-1-12
		Resulting Base Grants	Elementary	1859.71	$9,112	$9,505
			Middle	1859.71	$9,637	$10,052
	Increase		High	1859.71	$12,260	$12,788
	4.31%		Special Day Class – Severe	1859.71.1	$25,601	$26,704
Index change from 2011 to 2012			Special Day Class – Non-Severe	1859.71.1	$17,121	$17,859

Marshall and Swift 10 Western States CCI				Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-11	Current Grant Per Pupil Effective 1-1-12
		Resulting Base Grants	Elementary	1859.71	$9,112	$9,394
			Middle	1859.71	$9,637	$9,935
	Increase		High	1859.71	$12,260	$12,639
	3.09%		Special Day Class – Severe	1859.71.1	$25,601	$26,392
Index change from 2011 to 2012			Special Day Class – Non-Severe	1859.71.1	$17,121	$17,650

OPTIONS FOR THE EXECUTION OF THE 2012 GRANT AMOUNTS

PURPOSE OF REPORT

To provide options for the execution of the annual grant adjustments to School Facility Program (SFP) project approvals.

DESCRIPTION

As a part of this agenda, the State Allocation Board (Board) will take action on the annual adjustment to the SFP grants based on the change in construction costs for 2011. This item requests the Board take no action and provide no adjustments to the SFP grant amounts for any project added to the unfunded list prior to January 2012.

AUTHORITY

Education Code (EC) Section 17070.63 (a) states: "The total funding provided under this chapter shall constitute the state's full and final contribution to the project and for eligibility for state facilities funding represented by the number of unhoused pupils for which the school district is receiving the state grant. As a condition of receipt of funds, a school district shall certify that the grant amount, combined with local funds, shall be sufficient to complete the school construction project for which the grant is intended."

For New Construction grant, EC Section 17072.10(b) states, "The board shall annually adjust the per-unhoused-pupil apportionment to reflect construction cost changes, as set forth in the statewide cost index for class B construction as determined by the Board."

For Modernization funding, EC Section 17074.10(b) states, "The board shall annually adjust the factors set forth in subdivision (a) according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the board."

SFP Regulation Section 1859.2 defines "Class B Construction Cost Index (CCI)" as a "construction factor index for structures made of reinforced concrete or steel frames, concrete floors, and roofs, and accepted and used by the Board."

SFP Regulation Section 1859.71 states, "The new construction per-unhoused-pupil grant amount, as provided by Education Code Section 17072.10(a), will be adjusted annually based on the change in the Class B Construction Cost Index as approved by the Board each January."

SFP Regulation Section 1859.78 states, "The modernization per-unhoused-pupil grant amount, as provided by Education Code Section 17074.10(a), will be adjusted annually based on the change in the Class B Construction Cost Index as approved by the Board each January."

BACKGROUND

Statute requires the Board to annually adjust the pupil grants to reflect statewide construction cost changes. Historically, the Board has used Marshall & Swift (M&S) Eight California Cities index for these adjustments, since it most accurately reflects the conditions under which districts will be building their schools with the SFP. The M&S Eight California Cities Index is the only Class B index that uses exclusively California cities to capture material and prevailing wage costs in California.

(Continued on Page Two)

BACKGROUND (cont.)

At its January 2010 meeting, the Board adopted the M&S Eight California Cities index, which resulted in a decrease to the per-unhoused-pupil grant of 6.74 percent. The Board elected to only apply the adjusted grant amounts to a project awarded an unfunded approval on or after March 2010.

The 2010 decrease in the CCI was the first decrease in the history of the SFP. Because of this, the Board expressed a desire to maintain the flexibility to specifically adjust those projects should the grant amounts once again increase in 2011.

At its January 2011 meeting, the Board adopted the M&S Eight California Cities index, which resulted in an increase to the per-unhoused-pupil grant of 4.28 percent with corresponding increases to 2011 project allocations. The Board also elected to apply the 2011 CCI adjustment to the projects on the Unfunded List beginning March 2010, in order to include all projects that were awarded using the 2010 grant amounts. This action did not include an increase for unfunded approvals awarded prior to March 2010.

Staff is presenting a separate action item this agenda that recommends the adoption of the M&S Eight California Cities index for 2012. If adopted, this index will result in a CCI increase of 3.76 percent.

STAFF ANALYSIS/STATEMENTS

The Board approval dates for projects on the list of unfunded approvals range from 2009 through December 2011 and will include today's new unfunded approvals as well. Until 2010, the current year CCI was only applied to projects approved or apportioned in that calendar year. Since unfunded approvals are not yet apportionments, they are not subject to the statutory "full and final" provisions and can be adjusted for the CCI at the discretion of the Board.

2009 Unfunded Approvals

There are 13 projects currently on the unfunded list with unfunded approvals based on 2009 grant amounts. These represent all projects with unfunded approvals through February 2010. These projects have been eligible for apportionment but have not yet requested apportionments to this point. These projects were not previously considered for adjustment. They were not part of the discussion at the January 2011 meeting, and were not adjusted for either the 2010 decrease or the 2011 increase.

Until the 2012 CCI increase, 2009 was the peak level for grant amounts, because the 2011 grant amounts were less than the 2009 amounts. If the Board adopts the M&S Eight California Cities index for 2012, the overall increase from 2009 to 2012 would be approximately 0.91 percent. Approving adjustments for these projects would require up to $304,858 in additional bond authority from Propositions 1A, 55, and 1D.

2010 Unfunded Approvals

There are 114 projects currently on the unfunded list with 2010 unfunded approvals. These represent all projects with unfunded approvals from March through December 2010. These projects have also been eligible for apportionment, but have not yet requested apportionments. Because they were subject to 2010 grant amounts that had decreased by 6.74 percent from 2009, the Board applied the 2011 grant amounts to these projects, which resulted in a 4.28 percent increase.

(Continued on Page Three)

STAFF ANALYSIS/STATEMENTS (cont.)

Although these projects received the 2011 CCI increase, their grants are still approximately 2.7 percent below the 2009 peak year. If the Board adopts the M&S Eight California Cities index for 2012, approving adjustments for these projects would be a second augmentation and increase their grant by 3.76 percent. Overall, it would result in grant amounts that are approximately 0.91 percent higher than the 2009 levels. This action would require up to $7,937,528 in additional bond authority from Propositions 47, 55, and 1D.

2011 Unfunded Approvals

There are 323 projects currently on the unfunded list with 2011 unfunded approvals. Some of these have had the opportunity to receive an apportionment during the most recent Priority Funding round. The apportionments granted at the December 2011 Board meeting included three of the 28 projects that received unfunded approvals on April 27, 2011. However, the vast majority of 2011 unfunded approvals have not received an apportionment due to their more recent approval dates and insufficient cash proceeds from bond sales.

These projects have awards that are approximately 2.7 percent below the 2009 peak year. If the Board adopts the M&S Eight California Cities index for 2012, approving adjustments for these projects would increase their grant by 3.76 percent. Overall, it would result in grant amounts that are approximately 0.91 percent higher than the 2009 levels. Providing an increase for these projects is consistent with the previous Board action to award increases for the 2010 projects. However, that decision was based on the decrease in the CCI. Approving adjustments for these projects would require up to $35,849,202 in additional bond authority from Propositions 47, 55, and 1D.

Estimated Additional Bond Authority Required for Increases

The following table provides an estimate of the additional bond authority required if the 2012 grant amounts were applied to projects on the list of unfunded approvals by year:

Unfunded Approval Date	Current Grant Amount	Number of Projects	Current Value of Unfunded Approvals	Estimated Impact if 2012 Grant Amount is Applied
January 2009 through February 2010	2009	13	$33,500,906	$304,858 Increase
March 2010 through December 2010	2011	114	$211,104,476	$7,937,528 Increase
January 2011 through December 2011	2011	323	$953,436,211	$35,849,202 Increase

Additional Considerations

There are additional considerations for the Board when deciding how to apply the current CCI adjustment, including the remaining bond authority. Any augmentation of existing unfunded approvals will reduce remaining SFP bond authority, thus limiting the Board's ability to provide future awards. After the December 2011 Board meeting, the remaining bond authority is approximately $197.1 million for new construction and $362.3 for modernization.

If the M&S Eight California Cities index for 2012 is adopted by the Board, the projects on the workload list will be recalculated using the 2012 grants, further reducing bond authority (please note that many of these projects are still under review and the actual need is subject to change). Providing increases to all projects on the unfunded list would reduce the remaining new construction and modernization authority an additional $11.2 million and $20.1 million respectively.

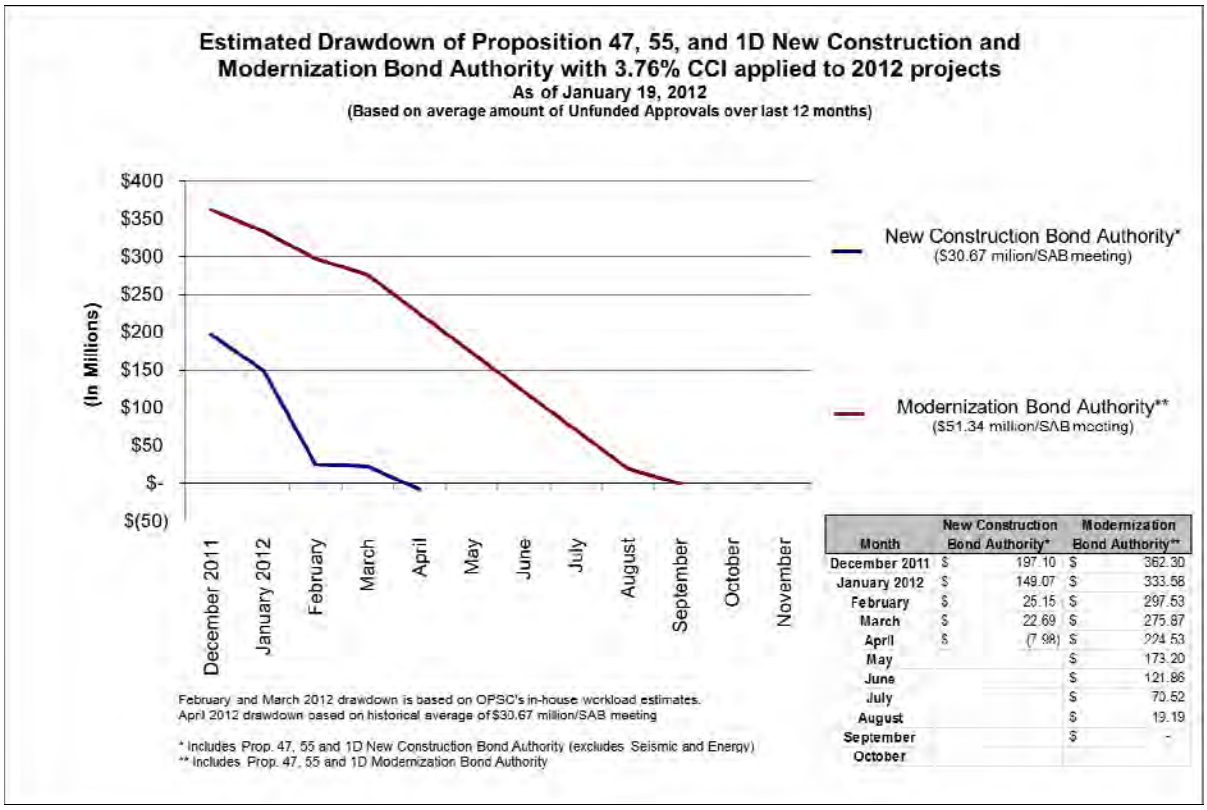
(Continued on Page Four)

STAFF ANALYSIS/STATEMENTS (cont.)

The following charts summarizes the current available New Construction bond authority and illustrates the impact of applying the 2012 CCI adjustment to the in-house workload and the current unfunded approval list (amounts are in millions).

Estimated Unfunded Approval Date	In-House Workload Estimated Value	New Construction Bond Authority Remaining*		Less 3.76% 2012 CCI Increase*		Subtotal of Remaining New Construction Bond Authority		Less 3.76% if 2012 CCI is Applied to Entire Unfunded List		Net Remainder of New Construction Bond Authority
December 2011		$ 197.10				$ 197.10				$ 197.10
January 2012	$ 48.03	$ 149.07	-	$ -	=	$ 149.07	-		=	$ 149.07
February	$ 117.69	$ 31.38	-	$ 6.23	=	$ 25.15	-	$ 11.23	=	$ 13.92
March	$ 2.37	$ 29.01	-	$ 0.09	=	$ 22.69	-		=	$ 11.46
April**	$ 30.67	$ (1.66)	-	$ -	=	$ (7.98)	-		=	$ (19.21)
May	$ -	$ -								

* February 2012 CCI drawdown includes CCI adjustments to January 2012 approvals.
** April 2012 drawdown is based on historical average of $30.67 million per Board meeting.



Month	New Construction Bond Authority*	Modernization Bond Authority**
December 2011	$ 197.10	$ 362.30
January 2012	$ 149.07	$ 333.58
February	$ 25.15	$ 297.53
March	$ 22.69	$ 275.87
April	$ (7.98)	$ 224.53
May		$ 173.20
June		$ 121.86
July		$ 70.52
August		$ 19.19
September		$ -
October		

Another consideration for the Board is that bond sale proceeds have not been sufficient to cover all projects on the unfunded list. Because of this, districts may wait for an apportionment for an extended period of time. Districts with sufficient local funds may proceed with the project and receive a reimbursement when an apportionment is granted. Other districts are unable to proceed until an actual apportionment is received, especially Financial Hardship districts. In either case, the grant amounts awarded for projects approved in previous years may not align with construction costs at the time of contract execution.

(Continued on Page Five)

STAFF ANALYSIS/STATEMENTS (cont.)

Finally, the unfunded approvals list includes items for the Charter School Facilities Program and Critically Overcrowded Schools Program, such as advance fund releases for design, site or Environmental Hardship. These items are not truly unfunded approvals. The grants for these advance funding items are either based on a set formula or actual costs, not the current year CCI. They were added to the list for the purposes of providing a mechanism to fund these advances. Staff does not recommend them for adjustment at this time, and they have not been included in this discussion. The current year grant amounts will be applied when these projects convert to a full adjusted grant for unfunded approval or apportionment.

Options
Staff presents the following options for the Board to consider for execution of the 2012 SFP grant amounts:

OPTION 1 – Take no action and provide no adjustments to the SFP grant amounts for any project added to the unfunded list prior to January 2012.

Pro: Requires no additional bond authority.
Con: Does not allow for an adjustment that aligns the state grants to the construction cost index.

OPTION 2 – Provide an increase for all projects that received unfunded approvals in 2011.
This would not include the 2010 unfunded approvals that were adjusted for the 2011 CCI.

Pro:
This allows 2011 unfunded approvals to receive an adjustment that aligns the state grants to the construction cost index.
Cons:
- Requires the use of up to $35,849,202 in additional scarce bond authority
- Likely provides an increase to reimbursement projects that are already complete.
- Likely provides increases for some projects that had the opportunity but did not request an apportionment.

OPTION 3 – Provide an increase for all projects with 2010 and 2011 unfunded approvals.
This option would provide an increase for all projects on the unfunded list that received either the 2010 or 2011 grant amounts. This would be a second increase for the projects originally awarded in 2010.

Pro:
This allows 2010 and 2011 unfunded approvals to receive an adjustment that aligns the state grants to the construction cost index.
Cons:
- Requires the use of up to $43,786,730 in additional scarce bond authority.
- Likely provides an increase to reimbursement projects that are already complete.
- Likely provides increases for some projects that had the opportunity but did not request an apportionment.

(Continued on Page Six)

STAFF ANALYSIS/STATEMENTS (cont.)

OPTION 4 – Provide increases for all projects on the unfunded approvals list.
This option would provide an increase for all projects on the unfunded list, including those from 2009 and 2010. This would also provide a second increase for the projects originally awarded in 2010.

Pro:

This allows all unfunded approvals to receive an adjustment that aligns the state grants to the construction cost index.

Cons:

- Requires up to $44,091,588 in remaining bond authority.
- Likely provides increases for some projects that had the opportunity but did not request an apportionment.
- Likely provides an increase to reimbursement projects that are already complete.

RECOMMENDATION

Approve Option 1.

BOARD ACTION

In considering this Item, the SAB held this Item over to the February 2012 SAB meeting and requested that staff provide information on the history of adjustments to projects on the Unfunded List.