

UPDATE ON SFP GRANT INCREASES DUE TO AB 1506 - LABOR COMPLIANCE PROGRAMS

Assembly Bill 1506 added Section 1771.7 to the Labor Code that requires a district to make a certification that a labor compliance program (LCP), that has been approved by the Department of Industrial Relations (DIR), for the project apportioned under the SFP has been initiated and enforced if both of the following conditions exist:

- The district has a project which received an apportionment from the funding provided in Proposition 47 or from the potential 2004 State bonds; and,
- The construction phase of the project commences on or after April 1, 2003, as signified by the date of the Notice to Proceed.

AB 1506 also requires the SAB to increase the per pupil grant amounts to accommodate the State's share of the increased cost of new construction and modernization projects due to the initiation and enforcement of a LCP. If your district receives its apportionment before the increase is in effect, there is no need to be concerned. The law allows that full and final apportionments can later receive the grant increase provided the project was subject to the AB 1506 requirements.

The percentage of increase has not been finalized but is expected to be on a scale dependent on the total project dollar amount. We have been developing proposals with input from districts with LCP experience and from third party providers in this field. These proposals are currently being presented at the SAB Implementation Committee as recently as March 7, 2003. A link is attached below to the specific page on our OPSC Web page which provides access to the current proposal for your view. (Please see the discussion item and several attachments on the web page.)

Based on the discussion at the March 7th Committee meeting, we expect to further define the proposal and present it at the April 4th Implementation Committee meeting in Sacramento before the anticipated presentation to the State Allocation Board in April 2003. We welcome interested parties to provide us cost data on this topic as well as encourage attendance at these Committee meetings for an opportunity to participate in the discussions.

Questions regarding the Labor Code, LCP's, or DIR approval of LCP's may be directed to the DIR at 415.703.4810. As always, questions regarding SFP New Construction and Modernization projects may be referred to your OPSC Project Manager. To provide cost data or for further questions regarding the grant increases due to 1506, please feel free to contact Lori Morgan, OPSC Manager and the OPSC representative on the SAB Implementation Committee, at 916.322.0330.

<http://www.opsc.dgs.ca.gov/SAB/Imp+Calendar+of+Meetings.htm>