



**OFFICE OF PUBLIC SCHOOL  
CONSTRUCTION**

**I n t e r a g e n c y   S u p p o r t   D i v i s i o n**

1130 K Street, Suite 400 • Sacramento, California 95814 • (916) 445-3160

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Date: January 21, 1999

Mass Mailer #99-01

To: All School District Representatives

Subject: **PROPOSITION 1A FUNDING OF LEASE-PURCHASE PROJECTS THAT  
MEET GRANDFATHERING PROVISIONS**

The Office of Public School Construction (OPSC) has previously notified your District of the need to make decisions no later than January 31, 1999, regarding funding of the project under the Lease-Purchase Program (LPP) or the new School Facility Program (SFP).

The purpose of this correspondence is to provide guidance to districts on non-Phase C approved projects that have obtained an initial LPP approval and have Division of the State Architect (DSA) plan approval prior to November 4, 1998. To expedite funding processing of these projects, it is important for districts to declare their intent to remain in the LPP or transition to the SFP. Please complete the attached declaration and return to the OPSC postmarked by January 31, 1999.

Please refer to SFP Regulation Sections 1859.12 through 1859.15 for more information concerning transition of LPP projects to SFP projects or conversion of Priority Two LPP projects to Priority One projects. For those LPP projects that meet the provisions of these regulations, the following will occur without a formal processing declaration:

- Priority One New Construction Project: The project will automatically be funded under the LPP.
- Priority Two New Construction Project: The project shall be deemed withdrawn under the provisions of the LPP and the District must submit a new application under the provisions of the SFP if it wishes to secure future funding.
- Priority One Modernization Project: The project will receive funding under the LPP.
- Priority Two Modernization Project: The project shall be deemed withdrawn under the provisions of the LPP and the District must submit a new application under the provisions of the SFP if it wishes to secure future funding.

If the District indicates its desire to have a project funded as a LPP, the District will be required to share in 50 percent of the eligible project cost. Moreover, if the District wishes to have a project funded as SFP, the District's funding share is 50 percent of the project costs for a growth project and 20 percent for a modernization project.

If you have already notified the OPSC by letter with regard to your processing intent for projects of this type, please disregard this notification. If you have any further questions, please contact your Project Manager.

Sincerely,

TED W. DUTTON, Executive Officer  
Office of Public School Construction





Date: February 22, 1999

Mass Mailer #99-02

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On January 27, 1999, the State Allocation Board (SAB) apportioned approximately \$2.2 million for the Northridge Earthquake Program; Lease-Purchase Program (LPP) bid approvals and ongoing projects from prior bond funds. The SAB also made apportionments from Proposition 1A funds in the amount of \$60 million for "grandfathered" new construction and modernization projects and for ongoing LPP projects. The SAB addressed other issues as follows:

#### Consent Calendar

The cost index under the LPP for Class D Construction increased from 1.30 to 1.31 and the Historical Savings Index increased from 6.19 to 6.54, effective January 1, 1999. The indices under the LPP for Class B Construction and Furniture and Equipment remain unchanged.

The consent agenda included LPP Phase C (construction) apportionments, bid approvals, and ongoing project cost increases for 53 new construction and modernization projects. In addition, seven modernization projects received eligibility approvals pursuant to the provisions of the School Facility Program (SFP). Districts that received a Phase C, (construction) apportionment pursuant to the provisions of the LPP are subject to the "one year" Time Limit on Apportionment Policy. For specific information regarding time limits, contact Mr. Don Hartin at [dhartin@dgs.ca.gov](mailto:dhartin@dgs.ca.gov) or at (916) 445-0529.

#### Status of Funds

There is approximately \$134 million in Proposition 203 funds remaining in the LPP to address ongoing project costs, bid approvals, and for the Northridge Earthquake Program. Disposition of any excess Proposition 203 funds will be addressed by the SAB at a later date. The balance available in the SFP is \$2.8 billion.

### **OTHER ISSUES**

#### Disabled Veteran Business Enterprise (DVBE)

The SAB has a DVBE Policy that applies to contracts awarded under the provisions of the LPP and the State Relocatable Classroom Program. It has not been eliminated and remains a requirement of these programs, regardless of funding source. For more information regarding the DVBE Policy, visit our web-site at <http://www.dgs.ca.gov/opsc/dvbe.htm> or contact Ms. Audrey Edwards at [audeward@dgs.ca.gov](mailto:audeward@dgs.ca.gov) or at (916) 327-9249.

## Deferred Maintenance

The Deferred Maintenance Program (DMP) operates on a fiscal year cycle (July 1-June 30). All districts that have a SAB approved Deferred Maintenance Five-Year Plan, which includes the current fiscal year, will receive a basic apportionment for DMP funds at the August 1999, SAB meeting. In order to receive the allocated DMP funds, districts must match the State apportionment by September 30, 1999. The matching funds must be deposited into the districts' Deferred Maintenance Fund. The district's County Office of Education must certify to the Office of Public School Construction that funds have been deposited. This certification can be made on the *Certification of Deposit* (Form SAB 40-7).

The Five-Year Plan may be submitted or revised for the current year on the *Deferred Maintenance Five-Year Plan* (Form SAB 40-1). Any revisions to an approved Five-Year Plan for the current fiscal year must be made by June 30, 1999. For more information regarding the DMP, please see the OPSC web site or contact Mr. Keith Collier at [kcollier@dgs.ca.gov](mailto:kcollier@dgs.ca.gov) or at (916) 323-3443.

## Modernization Plans

Plans and specifications (P&S) for SFP modernization projects are not required to be submitted on CD-ROM or Iomega Zip Disk. However, in order to facilitate the review process, we recommend districts submit the P&S in this manner whenever possible.

In our advisory mailer dated December 4, 1998, the OPSC noted that the district must submit the P&S for modernization projects with the *Application for Funding* (Form SAB 50-04). At that time, the district must certify that the work in the P&S is commensurate with the SFP grant and the district's matching funds are available for the project. The architect of record for the project must submit a cost estimate of the proposed work. Modernization *Application for Funding* requests submitted after February 25, 1999, which do not include the P&S and cost estimate will be returned to the district without processing.

For purposes of defining the term "commensurate", OPSC shall verify that the cost estimate for work in the plans and specifications is equal to at least 60% of the total combined State grant and local match amount.

## Additional Grants for Site Development Costs

The OPSC has developed a standardized cost estimate worksheet on a Microsoft Windows Excel to assure consistency and timely processing of the funding application. The worksheet identifies the individual components of site development costs for the new construction grant as outlined in Regulation Section 1859.76. The worksheet is available from the OPSC web site. This will provide districts and architects with more complete information regarding allowable site development costs for planning purposes.

## Site Drawings

In order to determine the gross classroom inventory and the adjustment to that inventory for all SFP new construction projects, districts are required to identify all available classroom space either in the district or the appropriate high school attendance area. The OPSC requested that districts maintain adequate records at the district level, which would allow the OPSC to verify the classroom inventory.

The OPSC has conducted numerous property check reviews and has discovered that, in many cases, the districts had little or no documentation to support the classroom count reported on the application documents. To avoid the lost time resulting from unproductive or prolonged site visits, the OPSC must require that all districts submit with the *Existing School Building Capacity* (Form SAB 50-02) diagrams of the school sites which identify all classrooms in the inventory. Applications for new construction eligibility that do not include these diagrams cannot be processed and will be returned to the district for the needed information.

During the property check of the district's facilities, the district will be required to provide all necessary documentation to support any exclusion of classrooms from the gross classroom inventory. To assist the district in the preparation of this inventory and the identification of exclusions, the OPSC has developed a worksheet that is available on the OPSC web site.

### 60-Day Processing Time

At the time of initial receipt of the new application, the OPSC conducts a "mini review" to assure that all necessary documents are included in the application package. If the package is incomplete, it will be returned with an explanation of what additional information is needed. If the application package is complete the district will be notified of that fact and the application will be processed in the order received. It is OPSC's intent to process applications to the SAB within 30 to 60 days. If during the processing, the OPSC discovers that additional information is necessary, the 60-day timeline will be suspended until the district provides further information.

The Fiscal Unit of the OPSC will contact districts that are filing a funding application that includes a request for "financial hardship" assistance from the SAB. The notification will outline the specific information required to evaluate the districts' financial situation. The 60-day processing timeline will be started when the appropriate financial hardship documentation is received from the district.

It is OPSC's goal to process all applications to the SAB within 60 days. However, there may be circumstances beyond the control of OPSC such as available board dates, missing or incomplete information, and on going financial audits that may affect the ability to meet the goal in every case. Within these constraints, OPSC is very committed to making every effort to meet this timeline.

### Personnel Appointments

Please join us in congratulating Ms. Kathie Bovard as the new Supervisor of the Northern Region. The OPSC has reorganized some of its staff as a result of the SFP. For specific information on the OPSC reorganization, please refer to the OPSC web site.

Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON, Executive Officer  
Office of Public School Construction

TWD:JS:ed



Date: March 17, 1999

Mass Mailer #99-03

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD  
AND OTHER ISSUES**

On February 24, 1999, the State Allocation Board (SAB) apportioned approximately \$2.2 million for the Northridge Earthquake Program; Lease-Purchase Program (LPP) bid approvals and ongoing projects from prior bond funds. The SAB also made apportionments from Proposition 1A funds in the amount of \$60 million for “grandfathered” new construction and modernization projects and \$12.7 million for School Facility Program (SFP) modernization projects. The SAB addressed other issues as follows:

#### Consent Calendar

The cost index under the LPP for Class B Construction increased from 1.31 to 1.32, effective February 1, 1999. The indices under the LPP for Class D Construction, Historical Savings, and Furniture and Equipment remain unchanged.

The consent agenda included LPP Phase C (construction) apportionments, bid approvals, and ongoing project cost increases for 53 new construction and modernization projects. In addition, seven modernization projects received eligibility approvals pursuant to the provisions of the SFP. Districts that received a Phase C (construction) apportionment pursuant to the provisions of the LPP are subject to the “one year” Time Limit on Apportionment Policy.

Districts that received an adjusted grant approval under the SFP are required to submit *Fund Release Authorization* (Form SAB 50-05) within 18 months, otherwise the apportionment may be rescinded. This form is used for the district to certify the available district matching share and that the district has entered into a binding contract for at least 50% of the construction cost of the buildings in the plans and specifications (P&S). When this form is submitted to the Office of Public School Construction (OPSC), the state funding for the project will be released to the district. For specific information regarding time limits, contact Mr. Don Hartin at [dhartin@dgs.ca.gov](mailto:dhartin@dgs.ca.gov) or (916) 445-0529.

#### Status of Funds

There is approximately \$142 million in prior bond funds remaining in the LPP to address ongoing project costs, bid approvals, and for the Northridge Earthquake Program. The balance available in the SFP is approximately \$2.7 billion.

### Distribution of Proposition 1A Funds

The SAB addressed the distribution of the available funding from Proposition 1A for the first funding cycle. The funding allocated for hardships will be reviewed by the SAB at the meeting scheduled for May 26, 1999, to determine if some of those funds should be further allocated to specific sub-categories of hardship requests such as financial, facility or for excessive cost. A specific program proposal for the apportionment of the funding set aside for CSR has been tentatively scheduled for presentation to the SAB at the April 28, 1999, meeting.

### Adjustment to the SFP Grants

As provided in the SFP emergency regulations, the SAB approved an increase in the grant amounts for new construction and modernization projects effective for any project funded for a SFP grant on or after January 1, 1999. The increased grant amounts were already included in any SFP project that received funding by the SAB on or before February 24, 1999, and will apply to any SFP project funded after that date. Pursuant to the regulations, the grant amounts will be adjusted annually based on the change in the Class B Construction Cost Index each January.

### Deferred Maintenance Funding

The SAB approved a policy for the allocation of additional funding in the amount of \$20 million made available for the Deferred Maintenance Program pursuant to SB 1564. The allocation will be made at the March 24, 1999, SAB meeting and will be made in the same manner as the allocation of funds for the basic apportionment with the following modifications:

- There is a minimum allocation to each district of \$7,500.
- The district must have made a matching share deposit for the previous basic apportionment for the 1997/1998 Fiscal Year.
- All districts receiving an allocation with the exception of Direct Service Districts are required to make a dollar for dollar match for any state funds allocated.
- The dollar for dollar match must be made within 90 days of the apportionment, which is scheduled for March 24, 1999.
- The dollar for dollar match may be offset by any district funds deposited that exceeded the state funding for the basic apportionment for the 1997/1998 Fiscal Year.
- The district may amend its Five-Year Plan to include additional projects that can be funded as a result of this allocation including the removal of storage tanks, roof maintenance/replacement or other projects deemed necessary for the health and safety of the pupils.

The SAB also amended its critical hardship Priority Two funding category to include non-toxic storage tanks that are required to be replaced by federal regulations. For more information regarding the allocation of these funds, contact Mr. Keith Collier at [kcollier@dgs.ca.gov](mailto:kcollier@dgs.ca.gov) or (916) 323-3443.

### Purchase of State Relocatable Classrooms

The SAB authorized the OPSC to purchase an additional 400 state relocatable classrooms from funding available for this purpose. The OPSC has started the procurement process and these additional buildings should be available for delivery during the summer. Districts anticipating a need for these classrooms should file an application now.

### SB 50 Emergency Regulations

The SAB considered two amendments to the SB 50 Regulations regarding the use of modernization funds and the expansion of site development to include sidewalks that are needed "off-site" as a result of a finding made by the local planning commission or other governing authority. The SAB took no action on this issue at this time, but directed that these issues be discussed at the SAB Implementation Committee and brought back to the SAB at a later date for consideration.

In addition to the above, the OPSC is currently reviewing all comments received during the 45 day public comment period regarding the SB 50 Emergency Regulations adopted by the SAB on November 18, 1998, and will be addressing these issues at the SAB Implementation Committee for presentation to the SAB in the near future.

### Disabled Veteran Business Enterprise (DVBE)

The SAB heard several speakers who were concerned that there were no specific requirements under the SFP for compliance with the DVBE. The SAB directed that a report from legal counsel be presented in March.

### Other Issues

In our advisory mailer dated February 22, 1999, the OPSC directed that the district must include a cost estimate when submitting the plans and specifications (P&S) with the Application for Funding (Form SAB 50-04) to the OPSC. For clarification purposes, the cost estimate is to be developed by the architect of record for the project and shall only include costs associated with the work in P&S. Costs for site acquisition, planning, tests, inspection and furniture/equipment are not to be included.

As noted previously, the OPSC will not accept an application for modernization funding submitted after February 25, 1999, unless this cost estimate is included with the P&S. Modernization applications for funding which do not include the P&S and a cost estimate which represents at least 60% of the total combined state grant and local match amount for the project, will be returned to the district without processing.

In our advisory mailer dated February 22, 1999, the OPSC also indicated there was a standardized cost estimate worksheet on the OPSC web site that could be used by architects to identify the individual components of site development costs for the new construction grant as outlined in Regulation Section 1859.76. Please be advised that this cost estimate has been finalized and is available on the OPSC web site under the School Facility Program heading and "OPSC cost estimate worksheet" item. A copy of our February 22, 1999, advisory mailer may be found on the OPSC web site at [www.dgs.ca.gov/opsc](http://www.dgs.ca.gov/opsc).

For your convenience, copies of the applicable agenda items regarding the issues contained in this letter are enclosed. Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON, Executive Officer  
Office of Public School Construction

TWD:PS:ed

Attachments

REPORT OF THE EXECUTIVE OFFICER  
State Allocation Board Meeting, February 24, 1999

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

PURPOSE OF REPORT

To report to the Board the adjustment in the School Facility Program Grants as provided in Education Code Sections 17072.10, 17074.10 and California Code of Regulations, Title 2, Sections 1859.71, 1859.78, 1859.82, and 1859.83.

DESCRIPTION

Regulation Sections 1859.71, 1859.78, 1859.82, and 1859.83 state that adjustments to the grant amount of the School Facility Program (SFP) shall be adjusted annually based on the change in the Class B Construction Cost Index each January, with the first adjustment in January 1999. Since the State Allocation Board did not consider discussion items in January, these adjustments were not brought forward; however, there were no funding approvals for SFP projects made at the January meeting. The consent items on this agenda requesting SFP funding reflect the updated adjustments.

The Regulations provide that the base Class B Construction Index shall be 1.30. The Class B Construction index as of January 1, 1999 was 1.31, which resulted in a .77 percent increase in the index. The figures shown on the Attachment reflect the calculated increase.

RECOMMENDATION

Adopt the increases shown on the Attachment, effective January 1, 1999.

ATTACHMENT

State Allocation Board Meeting, February 24, 1999

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

Grant Amount Adjustment

	Original Grant	Adjusted Grant
New Construction – elementary	\$5,200	\$5,240
New Construction – middle	5,500	5,542
New Construction – high	7,200	7,255
Modernization – elementary	2,246	2,263
Modernization – middle	2,376	2,394
Modernization – high	3,110	3,134
Therapy/Multipurpose Room	75	76
Toilet Facilities	150	151

Small School Adjustment

Class-rooms in project	Elementary School Original Grant	Elementary School Adjusted Grant	Middle School Original Grant	Middle School Adjusted Grant	High School Original Grant	High School Adjusted Grant
1	\$160,000	\$161,232	\$674,000	\$ 679,190	\$1,466,000	\$1,477,288
2	\$377,000	\$379,903	\$756,000	\$761,821	\$1,525,000	\$1,536,743
3	\$566,000	\$570,358	\$840,000	\$846,468	\$1,885,000	\$1,899,515
4	\$717,000	\$722,521	\$932,000	\$939,176	\$2,205,000	\$2,221,979
5	\$842,000	\$848,483	\$1,028,000	\$1,035,916	\$2,428,000	\$2,446,696
6	\$1,021,000	\$1,028,862	\$1,125,000	\$1,133,663	\$2,651,000	\$2,671,413
7	\$1,202,000	\$1,211,255	\$1,222,000	\$1,231,409	\$2,874,000	\$2,896,130
8	\$1,341,000	\$1,351,326	\$1,328,000	\$1,338,226	\$3,046,000	\$3,069,454
9	\$1,341,000	\$1,351,326	\$1,440,000	\$1,451,088	\$3,184,000	\$3,208,517
10	\$1,577,000	\$1,589,143	\$1,553,000	\$1,564,958	\$3,321,000	\$3,346,572
11	\$1,577,000	\$1,589,143	\$1,666,000	\$1,678,828	\$3,459,000	\$3,485,634
12	\$1,660,000	\$1,672,782			\$3,585,000	\$3,612,605
13					\$3,709,000	\$3,737,559
14					\$3,833,000	\$3,862,514
15					\$3,958,000	\$3,988,477
16					\$4,082,000	\$4,113,431
17					\$4,207,000	\$4,239,394
18					\$4,331,000	\$4,364,349
19					\$4,455,000	\$4,489,304
20					\$4,580,000	\$4,615,266
21					\$4,704,000	\$4,740,221
22					\$4,828,000	\$4,865,176



Date: April 16, 1999

Mass Mailer #99-04

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On March 24, 1999, the State Allocation Board (SAB) apportioned approximately \$62 million for Lease-Purchase Program (LPP) new construction and modernization projects, approximately \$36 million for School Facility Program (SFP) new construction projects, approximately \$128 million for SFP modernization projects, and \$20 million for Deferred Maintenance Program (DMP) projects. The SAB addressed other issues as follows:

#### Consent Calendar

The LPP Construction Cost Indices for Class B, Class D, Historical Savings, and Furniture and Equipment adjustment factors remain unchanged for the month of March.

The consent agenda included LPP Phase C (construction) apportionments, bid approvals, and ongoing project cost increases for 35 new construction and modernization projects. Districts that received a Phase C (construction) apportionment pursuant to the provisions of the LPP are subject to the "one year" Time Limit on Apportionment Policy. In addition, the SAB approved 309 applications for eligibility and 88 grant applications for new construction and modernization projects pursuant to the provisions of the SFP.

Districts that received a funding approval under the SFP are required to submit *Fund Release Authorization* (Form SAB 50-05) within 18 months, otherwise the apportionment may be rescinded. The SAB 50-05 is used by the district to certify the available district matching share and that the district has entered into a binding contract for at least 50% of the construction cost of the buildings in the plans and specifications (P&S). When the SAB 50-05 is submitted to the Office of Public School Construction (OPSC), the State funding for the project will be released to the district. For specific information regarding time limits, contact Mr. Don Hartin at [dhartin@dgs.ca.gov](mailto:dhartin@dgs.ca.gov) or (916) 445-0529.

#### Status of Funds

There are approximately \$113.6 million in prior bond funds remaining in the LPP to address ongoing project costs, bid approvals, and the Northridge Earthquake Program. The balance available from Proposition 1A funds is approximately \$2.6 billion.

The SAB set aside \$68.5 million from the remaining funds in the LPP to fund projects in the Year-Round Schools Air Conditioning/Insulation Program that are on the "unfunded" list and the districts have recertified the year-round education requirements. An item has been scheduled for presentation to the SAB at the April 28, 1999, meeting to apportion these projects. The affected districts have been notified by letter of their pending action.

### Deferred Maintenance

Senate Bill 1564, Chapter 330, Statutes of 1998 made available \$20 million for the DMP. The SAB approved a plan for allocation of these funds at the February 24, 1999, Board meeting which requires a dollar for dollar district match with the exception of direct service districts. On March 24, 1999, the SAB approved the apportionment of these funds. Both the February and March items can be viewed in the DMP section of the OPSC's website.

Prior to the release of the funds allocated, all districts, except direct service districts, must certify, through the County Treasurer, by June 22, 1999, that the required district match was deposited in the district's Deferred Maintenance Fund.

### Disabled Veteran Business Enterprise (DVBE)

At the February 24, 1999, the SAB requested legal counsel to provide an opinion regarding the applicability of laws pertaining to the Disabled Veterans Business Enterprise (DVBE) requirements for the SFP. Legal counsel reviewed and concluded that the requirements for utilization of DVBE do not apply to school construction contracts funded under the SFP.

Although not required, the SAB strongly urges school districts to continue to pursue DVBE participation in contracts funded with SFP funds. To assist DVBE's in procuring contracts funded with SFP funds, the OPSC will post on the OPSC Web site the names of the districts that have received funding under the SFP.

### Amendments to Senate Bill 50 (SB 50) Emergency Regulations

The OPSC has received numerous public comments regarding the SB 50 regulations and currently is in the process of developing the final regulations that will be submitted to the SAB for consideration at its April 28, 1999, meeting. The Office of Administrative Law (OAL) has readopted the emergency regulations. This provides up to an additional 120 days in which to submit the final regulations.

The SAB adopted an amendment to the regulations at the March 24, 1999, Board meeting regarding the use of modernization funds. This amendment validated current OPSC practice and interpretation of the emergency regulations. It provides that modernization funds can not be used to construct new building areas unless it is replacement area or area required as a result of handicapped access or by the American with Disabilities Act. As part of this adoption, the SAB will require a district to certify that the proposed work in the P&S for modernization projects are consistent with those uses outlined in the amended regulation. This amendment will be included in the final regulations when they are submitted to the OAL.

The SAB also addressed a request to amend the regulations to provide State funding for certain sidewalks located off-site when it is determined that the sidewalks are necessary to insure the health and safety of pupils. The SAB did not approve this proposal.

### Offset of Apportionment

The SAB developed a policy regarding Priority One “grandfathered” projects and all “non-grandfathered” projects regarding the offset of apportionments received for those projects under the LPP. Current law was silent regarding the offset of LPP apportionments when those projects were subsequently funded under the SFP. To assure that there is no duplication of State funding for these previous approvals, the SAB will require that the district agree to accept an offset of the SFP grant apportionment by the amount of the LPP apportionment, or agree to rescind the LPP project apportionment and return the funds to the State. Unless advised otherwise, the SAB will deem that the district has agreed to this offset when the district has submitted a funding request for the SFP grant.

### Implementation of Assembly Bill (AB) 553: Major Maintenance, Repair and Replacement Plan

Pursuant to the provisions of AB 553, districts are required to develop a major maintenance plan for any LPP project that received a construction apportionment under the LPP on or after July 1, 1998. As a condition for release of these construction funds, the district must certify by school board resolution that it will develop this plan and meet the conditions of this law no later than June 30<sup>th</sup> of the fiscal year in which the project received the Phase C apportionment. This certification must be made as part of their annual budget process. If the OPSC has already released funds for the LPP project subject to this policy, the OPSC will require the district to certify compliance as part of the closeout audit. If funds have not yet been released by the OPSC for the applicable project, the district will be required to make this certification on *Construction Contract Certification* (Form SAB 599), prior to the release of State funds.

### Other Issues

The OPSC has developed a *School Facility Program Application Submittal* checklist of documents required for a complete SFP application. The SFP forms along with the checklist can be found on the OPSC Web site at <http://www.dgs.ca.gov/opsc>.

When a request is made for site acquisition, the district must comply with Regulation Sections 1859.74, 1859.74.1 and 1859.75. As a prerequisite to apply for site acquisition funding, the proposed site must either be owned by the district, in escrow, or the district has filed condemnation proceedings and received an order of immediate possession for the site. The following documents must be submitted as part of the application:

- An appraisal made or updated no more than six months prior to the application submittal for funding. This appraisal must be for the current value of the site.
- The escrow documents that substantiate the actual purchase price of the property.
- An order of possession, if the district has filed condemnation proceedings.

Processing Time

SFP application submissions currently exceed more than 500 per month therefore, OPSC processing may exceed our previous goal of 60 to 90 days. The OPSC is continuing to process applications as rapidly as possible in date received order.

Copies of the applicable attachments regarding the issues contained in this letter can be found along with this letter on the OPSC Web site at <http://www.dgs.ca.gov/opsc>. Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON, Executive Officer  
Office of Public School Construction

TWD:DH:ed

Attachments

## **SCHOOL FACILITY PROGRAM (SFP) APPLICATION SUBMITTAL**

The following items are necessary for an SFP application package to be deemed complete by the Office of Public School Construction (OPSC):

### **New Construction**

#### **ELIGIBILITY Determination Request**

- Completed *Enrollment Certification* (Form SAB 50-01).
- Completed *Existing School Building Capacity* (Form SAB 50-02).
- Completed *Eligibility Determination* (Form SAB 50-03).
- If an enrollment augmentation is requested, a letter which includes a certification by the District Representative of the number of new housing units as indicated on the *Enrollment Certification* (Form SAB 50-01), and a statement verifying that a copy of the approved tentative subdivision map used for augmentation of the District enrollment is on file, and readily available for the OPSC to review at the District office.
- If applicable, a copy of the study supporting the District's yield factor, when higher than the statewide average student yield factor.
- Although site diagrams, the OPSC Worksheet or other facility summaries are not required to be submitted with the applications, a School District may wish to facilitate the processing of its applications by submitting both items with its eligibility determination request. However, be aware that these documents are required when an OPSC representative visits your District to perform a facility inventory.

#### **FUNDING Request**

- Completed *Application for Funding* (Form SAB 50-04).
- Final Division of State Architect (DSA) approved plans and specifications.
- Cost Estimates for site development work.
- Appraisal of property to be acquired that is less than six months old and escrow instructions unless the District certifies the site is being secured through condemnation proceedings.
- *California Department of Education (CDE) Approval* (Form 4.09)

## **Modernization**

### **ELIGIBILITY Determination Request**

- Completed *Eligibility Determination* (Form SAB 50-03).
- Site diagrams or a fire drill map of the applicable school. The diagrams/map must show the ages and number of all classrooms in accordance with the Gross Classroom Inventory, Regulation Section 1859.31. If Option B square footage choice is selected, the diagrams/map must show the ages and approximate dimensions of all buildings on the site.

### **FUNDING Request**

- Completed *Application for Funding* (Form SAB 50-04).
- Final DSA approved plans and specifications.
- Cost Estimate, certified by the project architect or the design professional, which indicates the work in the plans and specifications is equal to at least 60 percent of the total combined State grant and local matching share amount for the project.
- *California Department of Education (CDE) Approval* (Form 4.09)



Date: May 12, 1999

Mass Mailer #99-05

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On April 28, 1999, the State Allocation Board (SAB) apportioned approximately \$8.1 million for Lease-Purchase Program (LPP) new construction and modernization projects, \$43 million for School Facility Program (SFP) new construction projects, \$249.6 million for SFP modernization projects, \$79,835 for Deferred Maintenance Program projects and \$66,570,696 for Year-Round Schools Air Conditioning/Insulation projects. The SAB addressed other issues as follows:

#### Consent Calendar

The cost index under the LPP for the Historical Savings Index decreased from 6.19 to 5.92, effective April 1, 1999. The LPP Construction Cost Indices for Class B, Class D, and Furniture and Equipment adjustment factors remain unchanged for the month of April.

The consent agenda included LPP Phase C (construction) apportionments, bid approvals, and ongoing project cost increases for 51 new construction and modernization projects. Districts that received a Phase C apportionment pursuant to the provisions of the LPP are subject to the "one year" Time Limit on Apportionment Policy. In addition, the SAB approved 463 applications for eligibility and 164 grant applications for new construction and modernization projects for the SFP.

Districts that received funding approval under the SFP are required to submit the *Fund Release Authorization* (Form SAB 50-05) within 18 months, otherwise the apportionment will be rescinded. The SAB 50-05 is used by the district to certify the available district matching share and to certify that the district has entered into a binding contract for at least 50 percent of the construction cost of the buildings in the plans and specifications (P&S). Funds will be released to the district upon submission of the SAB 50-05 to the Office of Public School Construction (OPSC). For specific information regarding time limits, for LPP projects please contact Don Hartin at [dhartin@dgs.ca.gov](mailto:dhartin@dgs.ca.gov) or (916) 445-0529, and for SFP projects please contact Carolyn Harmon at [charmon@dgs.ca.gov](mailto:charmon@dgs.ca.gov) or (916) 322-0315.

#### Status of Funds

There are approximately \$42.6 million in prior bond funds remaining in the LPP to address ongoing project costs, bid approvals, and the Northridge Earthquake Program. The balance available from Proposition 1A funds is approximately \$1.5 billion.

### Year-Round Schools Air Conditioning/Insulation

The SAB apportioned \$66,570,696 for air conditioning/insulation projects from the approved unfunded list. Each school district with a funded project will be notified of the documents required to receive a fund release. For more information on this program, please contact Sally Lemenager at [slemenag@dgs.ca.gov](mailto:slemenag@dgs.ca.gov) (916) 323-0139.

### Additional Lease-Purchase Program Apportionments

Pursuant to the newly enacted Education Code Section 17009.5 (a) on or after November 4, 1998, the SAB shall only approve and fund school facilities construction projects pursuant to Chapter 12.5 (the SFP). Exceptions that allow the continuation of project approvals under the LPP are contained in subdivision (b) and (c) of Education Code Section 17009.5. Projects that do not meet these provisions, such as, Phase P approved projects that do not have DSA approved plans prior to November 4, 1998, are unable to receive any further apportionment under the LPP. These projects shall be deemed withdrawn under the provisions of the LPP and the district may submit a new application under the provisions of the SFP.

### State Relocatable Classroom Program (SRCP)

The loading standards for the SRCP were adjusted to align the program with the SFP standards (Kindergarten - Grade 6 = 25, Grades 7-12 = 27). ~~Enrollment Projection~~ (Form SAB 411) has now been replaced with ~~Enrollment Certification/Projection~~ (Form SAB 50-01). For more information on this program, please contact Olivia Campos at [ocampos@dgs.ca.gov](mailto:ocampos@dgs.ca.gov) or (916) 323-2282.

### Construction Cost Containment, Available Plans, and Alternative Construction

The provisions in SB 50 (Education Code Section 17070.33) require the SAB to adopt guidelines by June 30, 1999, for use by districts to achieve measurable reductions in the cost of school facilities construction. The SAB is required to make available to school districts P&S for use in constructing a school building of the type desired by the school district (Education Code Section 17262).

To provide credible and useful information to districts for cost containment and standardized plans, the OPSC is preparing to issue a "Request for Qualifications" (RFQ) from private firms for services related to the following:

1. Identify, quantify and describe processes, materials and strategies to achieve measurable reductions in the costs of school facilities construction, pursuant to Education Code Section 17070.33.
2. Develop and catalog P&S for use in constructing school buildings, pursuant to Education Code Section 17262.
3. Complete a study and subsequent report to the SAB on alternate construction methods and innovative design techniques for school facilities, including land-saving vertical construction.

This letter and copies of the policy items, which were presented to the SAB, can be found on the OPSC Web site at <http://www.dgs.ca.gov/opsc>. Should you have questions or need any additional information regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON, Executive Officer  
Office of Public School Construction

TWD:DH:ed

REPORT OF THE EXECUTIVE OFFICER  
State Allocation Board Meeting, April 28, 1999

ADDITIONAL LEASE-PURCHASE PROGRAM APPORTIONMENTS

PURPOSE OF REPORT

To clarify the issue of additional apportionments for Lease-Purchase Program (LPP) projects.

DESCRIPTION

The Office of Public School Construction has received requests from school districts to obtain additional apportionments for costs such as energy analysis fees, additional architect fees, preliminary testing and increased site costs. These requests are for projects that have received Phase P and/or Phase S funding under the LPP, but now have experienced additional costs and expenses not approved in the original apportionment. The projects may or may not be eligible to apply for the funding pursuant to the new School Facilities Program (SFP) in the future.

STAFF COMMENTS

The additional costs in question have not been approved by the SAB. In most cases, as a project continues from the LPP to the new SFP, the additional costs will be addressed in the final grant the district receives. In a few instances, however, the project or the particular costs may be ineligible for funding under the new program. In either situation, OPSC believes that the language in SB 50 precludes further apportionments for any LPP except those specifically "grandfathered" under the law.

BOARD REGULATIONS

The SFP regulations specify that LPP projects may only be grandfathered if the project had an initial approval and approved Division of State Architect plans prior to November 4, 1998.

LEGAL OPINION

Pursuant to the newly enacted Education Code Section 17009.5 (a) on or after November 4, 1998, the SAB shall only approve and fund school facilities construction projects pursuant to Chapter 12.5 (the SFP). Exceptions that allow the continuation of project approvals under the LPP are contained in subdivision (b) and (c) of Education Code Section 17009.5. Projects that don't meet these provisions, such as these Phase P approved projects that don't have DSA approved plans prior to November 4, 1998 are unable to receive any further apportionment under the Lease-Purchase Program.

RECOMMENDATION

Confirm that the SAB will not make additional apportionments pursuant to the LPP except as allowed by the law and board regulations for "grandfathered" projects.

The State Allocation Board approved this item.

REPORT OF THE EXECUTIVE OFFICER  
State Allocation Board Meeting, April 28, 1999

STATE RELOCATABLE CLASSROOM PROGRAM

PURPOSE OF REPORT

To request a change in the State Relocatable Classroom Program (SRCP) eligibility formula and classroom loading standard to those under the Leroy F. Greene School Facilities Act of 1998, Chapter 12.5, Education Code 17070.

BACKGROUND

On January 25, 1995, the State Allocation Board established the current eligibility criteria for funding priority levels. The priority levels determine the order in which buildings will be approved for placement. Under Priority A, II, the standard eligibility formula uses basic teaching station loading standards and a one year projection for Average Daily Attendance (ADA) as determined by the Enrollment Projection (Form SAB 411). However, the loading standards have changed due to the passage of SB 50 and Proposition 1A. As a result, the classroom loading standards under the SRCP do not coincide with those under Education Code 17070.

The Enrollment Projection (Form SAB 411) has been used to determine eligibility under the SRCP by showing the breakdown of the each grade level's classroom factor (First Year Projected ADA divided by the Load Factor equals the Classroom Factor) for the applicant district. However, this form is now obsolete and has been replaced by the Enrollment Certification/Projection (SB 50-01) which has new loading standards. The current loading standards for the SRCP are shown below in conjunction with the proposed changes under Education Code 17070:

<b>CURRENT LOADING STANDARDS FOR THE SRCP</b>	<b>PROPOSED LOADING STANDARDS</b>
Kindergarten = 55	Kindergarten – Grade 6 = 25
Grades 1-8 = 30	
Grades 9-12 = 27	Grades 7-12 = 27

RECOMMENDATIONS

The Office of Public School Construction requests the following changes for the SRCP to align the program with the School Facilities Program:

1. Allow the applicants to use loading standards consistent with the School Facilities Program.
2. Replace Enrollment Projection (SAB 411) with the Enrollment Certification/Projection (Form SB 50-01).

The State Allocation Board approved this item.



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CONSTRUCTION**

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1130 K Street, Suite 400 • Sacramento, California 95814 • (916) 445-3160

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Date: June 7, 1999 Mass Mailer #99-07

To: All School Districts and County Superintendents of Schools

Subject: **PROPOSITION 1A FUNDING**

Proposition 1A provides \$800 million from the first funding cycle for the allocation of modernization projects through June 30, 2000. Although all these funds have not yet been fully allocated, they are very limited. Therefore, it is unlikely that any modernization application not already funded or not meeting the grandfathering provisions will not receive funding until July 1, 2000. At that time, an additional \$1.3 billion will be available for modernization projects through Proposition 1A. Additionally, specific language in Senate Bill 50 provides that modernization and new construction projects that meet the grandfathering provisions of the School Facility Program (SFP) are afforded priority funding status over other SFP projects.

To assure there is sufficient modernization funds available from the first funding cycle to fund those projects meeting the grandfathering provisions, the State Allocation Board (SAB) directed that the remaining modernization funds available be used first for those projects that meet the grandfathering provisions where the district has elected to fund the project as a Lease-Purchase Program (LPP) application, or as a SFP project and the district has submitted a complete SFP eligibility and funding application to the SAB by July 5, 1999. Once these modernization projects have been processed and funded, the remaining funds, if any, will be used to fund projects **in the order of date receipt of a complete application**.

Districts are advised that they **must submit a complete SFP application for eligibility and funding no later than July 5, 1999**, for any new construction or modernization project that meets the grandfathering provisions which they elect to have funded as a SFP project in order to assure funding from the first funding cycle of Proposition 1A. Please note that current Office of Public School Construction (OPSC) processing time is averaging 81 days; therefore, do not expect processing and SAB consideration of your application in less than three months.

The OPSC will also continue to process SFP modernization projects which do not meet the grandfathering provisions and any SFP modernization project applications received after July 5, 1999. These projects may receive an "unfunded" approval by the SAB. The "unfunded" approval does not constitute a guarantee of the SAB for future funding.

If you have any questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON, Executive Officer  
Office of Public School Construction

TWD:PS:ed



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Date: June 7, 1999 Mass Mailer #99-08

To: All School Districts and County Superintendents of Schools

Subject: **COST ESTIMATE FOR NEW CONSTRUCTION PROJECTS**

To assure that new construction funds are spent in accordance with the intent of the State Allocation Board (SAB) and legislation of Senate Bill 50, the Office of Public School Construction (OPSC) requires a cost estimate of the work in the plans and specifications (P&S) for the project, signed by the architect of record or other design professional, to be submitted with the new construction *Application for Funding* (Form SAB 50-04). The cost estimate shall not include cost associated with site acquisition, planning, test, inspection or furniture and equipment or any other work or service not a part of the construction contract. This cost estimate will be required prior to the processing of an application for new construction funding. If your district has already submitted an *Application for Funding* (Form SAB 50-04) to the OPSC for new construction funding and the application has not yet been funded by the SAB, please submit the cost estimate as soon as possible so your application processing may be completed.

New construction *Application for Funding* (Form SAB 50-04) submittals **must include this cost estimate along with the P&S for the project**, or it will be returned to the district without processing. If the new construction application was received by the OPSC no later than June 11, 1999, the OPSC will not return the application to the district if this cost estimate was not submitted; however, the OPSC will not process the application until it has been received.

If the amount of the cost estimate required above is at least 60% of the combined state grant and local matching share for the project, less site acquisition costs, the application will be processed for SAB consideration as a "consent" item on the agenda. If the amount of the cost estimate required above is less than 60% of the combined state grant and local matching share for the project, less site acquisition costs, the application will not be processed for SAB consideration. However, the district may request that the application be presented as a "special" item in order to advise the SAB of the amount of funding requested by the district compared to the estimated amount of funding needed for the project as indicated by the cost estimate. To clarify this issue, at the SAB meeting scheduled for June 23, 1999, the OPSC will present an item to amend the SB 50 Regulations to address this issue.

Should you have questions regarding the above, please contact your Project Manager.

Sincerely,

TED W. DUTTON, Executive Officer  
Office of Public School Construction  
TWD:PS:ed



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Date: June 16, 1999

Mass Mailer #99-09

To: All School Districts and County Superintendents of Schools

Subject: **REGULATIONS FOR THE SCHOOL FACILITY PROGRAM**

On May 12, 1999, the State Allocation Board (SAB) approved amendments to the Emergency Regulations that administer the Leroy F. Greene School Facilities Act of 1998, commonly referred to as the School Facility Program (SFP). These amendments are a result of public comments received during the 45-day public comment period. The Board approved the amended regulations with some minor modifications. The amended regulations were subject to an additional 15-day public comment period, which ended on May 31, 1999. The OPSC did not receive additional public comments during that period and has submitted these amended regulations to the Office of Administrative Law (OAL) for final approval. It is anticipated that the amended regulations will be filed with the Secretary of State and become effective sometime in July. Copies of the amended regulations are available on the Office of Public School Construction's (OPSC) Internet site at <http://www.dgs.ca.gov/opsc>.

Until the amended regulations become effective, the SAB will continue to operate under the Emergency Regulations approved by the OAL on December 3, 1998. For purposes of processing and approval of applications during this interim period, the following procedures/policies shall apply:

Applications Previously Approved by the SAB

- Any SFP funding application, with the exception of separate site/design approvals, that received an apportionment or an unfunded approval may not be amended after the new regulations become effective.
- Any SFP application for eligibility may be amended after the amended regulations become effective to conform to the provisions of the amended regulations.

Applications Being Processed by the OPSC/ No SAB Approval

- Districts that submitted requests for eligibility or funding prior to the amended regulations becoming effective, may elect to either withdraw the application and resubmit it under the provisions of the amended regulations or continue to have the application funded under the original Emergency Regulations. If the district wishes its application to be approved based on the proposed amended regulations, it must request that the application be withdrawn and resubmitted to the OPSC based on the new forms and amended regulations, once they become effective. Applications withdrawn will not retain its OPSC processing date. Unless the district withdraws the application, the OPSC will continue to process those applications based on the Emergency Regulations. The OPSC will not "hold" a district's application request until the amended regulations become effective.

- Eligibility and funding applications submitted to the OPSC after the amended regulations become effective must be made based on the new forms and the amended regulations.

Once the OAL has approved the amended regulations and they have been filed with the Secretary of State, the OPSC will provide the revised SFP forms on the OPSC Internet site.

Should you have questions or need any additional information regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON, Executive Officer  
Office of Public School Construction

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Date: June 17, 1999

Mass Mailer #99-10

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND  
OTHER ISSUES**

On May 26, 1999, the State Allocation Board (SAB) apportioned \$29.9 million for Lease-Purchase Program (LPP) new construction and modernization projects, \$42.4 million for School Facility Program (SFP) new construction projects, \$186.5 million for SFP modernization projects, \$.1 million for Deferred Maintenance Program projects, and \$1.9 million for Year-Round Schools Air Conditioning/Insulation projects. The SAB addressed other issues as follows:

### Consent Calendar

The cost index under the LPP for the Historical Savings Index decreased from 6.19 to 5.92, effective May 1, 1999. The LPP Construction Cost Indices for Class B, Class D, and Furniture/Equipment remain unchanged.

The consent agenda included LPP Phase C (construction) apportionments, bid approvals, and ongoing project cost increases for 33 new construction and modernization projects. Districts that received a Phase C apportionment pursuant to the provisions of the LPP are subject to the "one year" Time Limit on Apportionment Policy. For specific information regarding time limits for LPP projects, please contact Don Hartin at [dhartin@dgs.ca.gov](mailto:dhartin@dgs.ca.gov) or (916) 445-0529.

The SAB approved 560 applications for eligibility and 87 grant applications for new construction and modernization projects for the SFP. In addition, the SAB approved and apportioned approximately \$21 million in state funds for 32 SFP financial hardship projects. Districts that received funding approval under the SFP are required to submit the *Fund Release Authorization* (Form SAB 50-05) within 18 months, otherwise, the apportionment will be rescinded. The SAB 50-05 is used by the district to certify the available district matching share and that the district has entered into a binding contract for at least 50 percent of the construction cost of the buildings in the plans and specifications (P&S). Funds will be released to the district upon receipt and processing of a completed Form SAB 50-05 to the Office of Public School Construction (OPSC). For specific information regarding time limits for SFP projects, please contact Carolyn Harmon at [charmon@dgs.ca.gov](mailto:charmon@dgs.ca.gov) or (916) 322-0315.

### Status of Funds

There are approximately \$36.8 million in prior bond funds remaining in the LPP to address ongoing project costs, bid approvals, and the Northridge Earthquake Program. The balance available from Proposition 1A funds is approximately \$1.2 billion.

### Prioritization of SFP Modernization Funding

The SAB approved and apportioned \$51 million in state funds for modernization projects that did not meet the grandfathering provisions. The SAB also directed the Executive Officer to file a SFP regulation change, on an emergency basis, which allows districts with new construction and modernization projects that meet the grandfathering provisions first priority for funding provided a complete eligibility and funding application is received by the OPSC no later than July 5, 1999. After that date, new construction and modernization projects shall be funded in order of date receipt of a complete application. Mass Mailer #99-07 dated June 7, 1999, addressing this issue was sent to all districts and county superintendents.

### Advance Site and Plans Repayment Provision

The SAB adopted a policy regarding the repayment of an advance site and/or planning loan made under the provisions of LPP. Education Code Section 17020 requires that if the site and/or plans are not used for construction of a school within five years of the apportionment, the district must repay the loan, with interest, unless the repayment will result in an extreme hardship to the district. This Policy defines an extreme hardship and specifies that districts with outstanding loans that do not meet the extreme hardship criteria must commence the repayment process beginning July 1, 1999. If your district has a scheduled repayment of an advanced site and/or planning loan and the district meets the extreme hardship criteria, please contact Bryan Breaks at [bbreaks@dgs.ca.gov](mailto:bbreaks@dgs.ca.gov) or (916) 445-3156.

### Available Plans and Specifications

The SAB approved the use of a catalogue of school plans that will be available on the Internet to any interested party. The catalogue will contain a thumbnail sketch of selected schools and school facility components built in California and approved by the Division of the State Architect and the California Department of Education. For additional information regarding this catalogue, please contact Dennis Boydston at [atdboydstun@dgs.ca.gov](mailto:atdboydstun@dgs.ca.gov) or (916) 322-0327.

### Other Issues

1. The Disabled Veterans Business Enterprise (DVBE) package on the OPSC Internet site has been updated, see DVBE Information & Forms Package under Resource Information on the OPSC Internet site.
2. Effective June 18, 1999, the OPSC will require that all requests for determination of existing school building capacity calculated on Forms SAB 50-02 include a summary of all district sites and the drawings of each school site within the school district or high school attendance area, as appropriate. The drawings must identify all permanent and portable classrooms included in the gross classroom inventory pursuant to Regulation Section 1859.31 and the specific reason any classroom is excluded from that inventory pursuant to Regulation Section 1859.32.

The OPSC will also require effective June 18, 1999, that all requests for modernization eligibility calculated on the *Eligibility Determination* (Form SAB 50-03) include the drawings of the specific site where the modernization eligibility is requested. The drawing must identify all permanent and portable classrooms on the site and their ages. If the district intends to use the square footage method for calculating eligibility, the drawing must also identify the square footage of all facilities on the site.

This requirement is made to assure that the OPSC is able to process all applications requests as timely as possible. Requests for determination of existing school building capacity or eligibility determinations for either new construction or modernization that do not include these drawings will be returned to the district without processing after June 18, 1999.

3. The OPSC is in the process of reviewing all applications submitted for SAB approval that have been delayed for processing as a result of additional information requested by the OPSC from the district. In most cases, districts have been notified of the additional information needed and the application has been "set aside" by the OPSC until the information is submitted. Effective immediately, when the OPSC has indicated by letter to the district that specific information is needed to complete the processing of an application, the district will be allowed 15 calendar days from the date of that letter to provide the information. If the requested information is received by the OPSC within 15 calendar days, the application will continue to be processed by the OPSC with no loss of OPSC application receipt date. If the information is not received by the OPSC within 15 calendar days, the application will be revoked and returned to the district.
4. On May 12, 1999, the SAB approved the amended SFP Regulations and directed the Executive Officer to take appropriate action for submittal of those regulations to the Office of Administrative Law (OAL). It is anticipated that these amended regulations will become effective sometime in July. Information regarding the amended regulations is included in Mass Mailer #99-09 dated June 16, 1999. For purposes of application processing by the OPSC during the interim period until the amended regulations become effective, the following procedures/policies shall apply:

#### Applications Previously Approved by the SAB

- Any SFP funding application, with the exception of separate site/design approvals, that received an apportionment or an unfunded approval may not be amended after the new regulations become effective.
- Any SFP application for eligibility may be amended after the amended regulations become effective to conform to the provisions of the amended regulations.

#### Applications Being Processed by the OPSC/ No SAB Approval

- Districts that submitted requests for eligibility or funding prior to the amended regulations becoming effective may elect to either withdraw the application and resubmit it under the provisions of the amended regulations or continue to have the application funded under the Emergency Regulations. If the district wishes its application to be approved based on the proposed amended regulations, it must request that the application be withdrawn and resubmitted to the OPSC based on the new forms and amended regulations, once they become effective. Applications withdrawn will not retain their OPSC processing date. Unless the district withdraws

the application, the OPSC will continue to process those applications based on the Emergency Regulations. The OPSC will not **“hold”** a district’ s application request until the amended regulations become effective.

- Eligibility and funding applications submitted to the OPSC after the amended regulations become effective must be made based on the new forms and the amended regulations.

Once the OAL approves the amended regulations and they have been filed with the Secretary of State, the OPSC will provide the revised SFP forms on the OPSC Internet site.

Copies of the applicable SAB actions can be found on the OPSC Internet site at <http://www.dgs.ca.gov/opsc>. Should you have questions or need any additional information regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON, Executive Officer  
Office of Public School Construction

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Date: June 17, 1999

Mass Mailer #99-11

To: All School Districts and County Superintendents of Schools

Subject: **REPORTING REQUIREMENTS FOR FACILITIES UTILIZED FOR  
COMMUNITY OR EXPELLED PUPILS**

Pursuant to Education Code Sections 1986 (d) and 17292.5 (c), each county superintendent of schools operating community schools and each school district operating expelled pupil programs shall report to the State Allocation Board (SAB) on the facilities utilized for these programs and their efforts to conduct these programs in facilities that conform to the structural safety standards of the California Code of Regulations every three years. This report is due to the SAB before September 1, 1999. If your district is affected, please submit the *Tri-Annual Report of Facilities* (Form SAB 406B) to the OPSC on or before September 1, 1999.

Additionally, county superintendents and school districts are required to certify to the SAB, prior to leasing facilities for community or expelled pupils, that all reasonable efforts were made to locate the community schools and/or expelled pupil programs in facilities that conform to the structural safety standards of the California Code of Regulations. If your district is affected, please submit the *Facilities Certification* (Form SAB 406A) to the OPSC.

These forms can be accessed on the OPSC Internet site at <http://www.dgs.ca.gov/opsc>, see Forms Listings under Resource Information. Should you have questions or need any additional information regarding the contents of this letter, please contact Sally Lemenager at [slemenager@dgs.ca.gov](mailto:slemenager@dgs.ca.gov) or (916) 323 0139.

Sincerely,

TED W. DUTTON, Executive Officer  
Office of Public School Construction

TWD:PS:ed



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## OFFICE OF PUBLIC SCHOOL CONSTRUCTION

Interagency Support Division

1130 K Street, Suite 400 • Sacramento, California 95814 • (916) 445-  
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Date: July 1, 1999

Mass Mailer #99-12

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND  
OTHER ISSUES**

On June 23, 1999, the State Allocation Board (SAB) apportioned \$5.1 million for Lease-Purchase Program (LPP) new construction and modernization projects, \$45.5 million for School Facility Program (SFP) new construction projects, \$171.9 million for SFP modernization projects and \$1 million for Deferred Maintenance Program Critical Hardship projects. The above numbers included requests for financial hardship. The SAB addressed other issues as follows:

### Consent Calendar

The cost index under the LPP for the Historical Savings Index decreased from 6.19 to 5.92, effective May 1, 1999. The LPP Construction Cost Indices for Class B, Class D, and Furniture/Equipment remain unchanged.

The consent agenda included LPP Phase C (construction) apportionments, bid approvals, and ongoing project cost increases. Districts that received a Phase C apportionment pursuant to the provisions of the LPP are subject to the "one year" Time Limit on Apportionment Policy. For specific information regarding time limits for LPP projects, please contact Don Hartin at dhartin@dgs.ca.gov or (916) 445-0529.

The SAB approved 390 applications for eligibility and 87 funding grant applications for new construction and modernization projects for the SFP. The SAB also made "unfunded" approvals for non-grandfathered modernization projects in the amount of \$26.2 million. Districts that received a funding approval under the SFP are required to submit the *Fund Release Authorization* (Form SAB 50-05) within 18 months, otherwise, the apportionment will be rescinded. The SAB 50-05 is used by the district to certify the available district matching share and that the district has entered into a binding contract for at least 50 percent of the construction cost of the buildings in the plans and specifications. Funds will be released to the district upon receipt of a completed Form SAB 50-05 to the Office of Public School Construction (OPSC). For specific information regarding time limits for SFP projects, please contact Carolyn Harmon at charmon@dgs.ca.gov or (916) 322-0315.

### Status of Funds

There is approximately \$28.5 million remaining in prior bond funds in the LPP to address ongoing project costs, bid approvals and the Northridge Earthquake Program. The balance available from Proposition 1A funds, excluding Class Size Reduction funds, is approximately \$1 billion.

### Previous Apportionments in the Lease-Purchase Program

The SAB directed the OPSC to notify districts that received a LPP project apportionment prior to 1998, which has not had the funds released to the district, to submit the documentation necessary for a fund release or provide evidence that circumstances are beyond their control by August 1, 1999. Otherwise, the apportionment is subject to rescission. The OPSC is advising these districts of the necessary documentation required in order to release the funds. For specific information regarding your district, please contact Don Hartin at dhartin@dgs.ca.gov or (916) 445-0529.

### Time Limit on Joint Use Construction Projects

The SAB approved an amendment to the Time Limits on Construction Apportionment Policy for Joint Use Projects to include provisions for a six-month time extension for those projects where the plans have been completed and are awaiting the Division of State Architect's (DSA) approval or the project is currently out to bid. The SAB also provided up to a 12-month extension when the district can demonstrate special circumstances acceptable to the SAB.

### Modernization Funding Status

The SAB accepted a staff report on the remaining Proposition 1A funds available for apportionment for modernization projects. At a previous meeting, the SAB directed that grandfathered modernization projects would receive priority for the remaining modernization funds if the district had submitted the necessary documentation to the OPSC to proceed with that project no later than July 5, 1999. If your district has a LPP project which meets the grandfathering provisions and proposes to fund the project with the remaining modernization funds, please submit the necessary documentation to the OPSC no later than July 5, 1999. Should you have questions regarding the above, please contact your Project Manager.

### Class Size Reduction (CSR) Funding

The SAB transferred approximately \$60 million to the California Department of Education (CDE) for apportionment to districts for CSR facilities as provided by Proposition 1A. The CDE anticipates that the funds will be available to the district in August. For specific information regarding this funding, please contact Fred Yeager with the CDE at (916) 327-7148.

### Implementation of Senate Bill (SB) 2045

The SAB amended its Policy that allows certain districts priority one (i.e. 50/50) funding status of its project(s) even if the district could not provide its 50 percent share of the project. The Policy was amended as a result of SB 2045 as follows:

- Bonds generated as a result of the Mello-Roos Community Facilities Act of 1982 is now included within the definition of bonded indebtedness for purposes of calculating the 95 percent.
- For districts with an average daily attendance (ADA) over 2,500, the district is required to contribute developer fees in excess of that needed for reasonable costs of interim housing for capital outlay modernization and new construction projects and administration and transportation capital outlay projects.
- If the district's ADA is under 2,501, the district does not have to contribute developer fees toward the project.

Should you have questions regarding this policy, please contact Carolyn Harmon at charmon@dgs.ca.gov or (916) 322-0315.

New Construction Commensurate Requirement

The SAB adopted an amendment to the SFP Regulations requiring districts to demonstrate, at the time an application for funding is submitted, that the proposed construction work in the project is commensurate with the combined State and local matching share for the project. As a result, all requests for new construction funding must include a cost estimate certified by the architect of record for the project or other design professional of the estimated work in the plans & specifications and any deferred items of construction that is at least 60 percent of the combined state and local matching share for the project. Further, the SAB directed the OPSC to file this amendment with the Office of Administrative Law as an emergency regulation. Should you have questions regarding this requirement, please contact your Project Manager.

Other Issues

The OPSC has received numerous inquiries regarding the time limits established under the SFP. Districts are advised that there are no provisions under the SFP for time extensions, as the time limit is established in law. Districts that have numerous projects that receive funding at the same time should be careful to observe the time limit criteria.

Please be advised that the OPSC will no longer accept an application for eligibility and/or funding unless it contains all the necessary documentation as outlined on the OPSC Internet site, School Facility Program Application Submittal section. Please note that this includes the California Department of Education approval Form 4.09 for the plans and site for a project request funding. If this documentation is not included with the district's request, the application package will be returned, without processing, to the district.

Copies of the applicable SAB actions can be found on the OPSC Internet site at <http://www.dgs.ca.gov/opsc>. Should you have questions or need any additional information regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON, Executive Officer  
Office of Public School Construction

TWD:PS:ed



Date: August 5, 1999 Mass Mailer #99-13

To: All School Districts and County Superintendents of Schools

Subject: **REPORTING REQUIREMENTS FOR FACILITIES UTILIZED FOR  
COMMUNITY, REGIONAL OCCUPATIONAL PROGRAMS, OR EXPELLED  
PUPILS**

The following entities shall report to the State Allocation Board (SAB) on the facilities utilized for the programs identified below every three years:

- Education Code Section 1986 (d), for county superintendent of schools operating community school programs.
- Education Code Section 17285 (d), for governing boards operating regional occupational centers or programs.
- Education Code Section 17292.5 (c), for school districts operating expelled pupil programs.

This report is due to the SAB before September 1, 1999. If you operate one of these programs, please submit a *Tri-Annual Report of Facilities* (Form SAB 406B) to the Office of Public School Construction (OPSC) on or before September 1, 1999.

Additionally, these entities are required to certify to the SAB, prior to leasing facilities for these programs, that all reasonable efforts were made to locate these programs in facilities that conform to the structural safety standards of the California Code of Regulations. If appropriate, please submit the *Facilities Certification* (Form SAB 406A) to the OPSC.

These forms can be accessed on the OPSC Internet site at <http://www.dgs.ca.gov/opsc>, see Forms Listings under Resource Information. Should you have questions or need any additional information regarding the contents of this letter, please contact Sally Lemenager, Project Manager at [slemenager@dgs.ca.gov](mailto:slemenager@dgs.ca.gov) or (916) 323-0139.

Sincerely,

LUISA M. PARK  
Interim Executive Officer  
Office of Public School Construction

LMP:AE:ed



Date: August 6, 1999 Mass Mailer #99-14

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD  
AND OTHER PERTINENT INFORMATION**

On July 28, 1999, the State Allocation Board (SAB) apportioned \$3.1 million for Lease-Purchase Program (LPP) new construction and modernization projects, \$63.2 million for School Facility Program (SFP) new construction projects and \$1 million for Deferred Maintenance Program critical hardship projects. The above numbers included requests for financial hardship.

#### Consent Calendar

The cost indices under the LPP for Class B increased from 1.32 to 1.33, Class D increased from 1.31 to 1.32 and the Historical Savings Index increased from 5.92 to 6.19, effective July 1, 1999. The LPP Cost Index for Furniture/Equipment remains unchanged.

The consent agenda included LPP Phase C (construction) apportionments, bid approvals, and ongoing project cost increases. Districts that received a Phase C apportionment pursuant to the provisions of the LPP are subject to the "one year" Time Limit on Apportionment Policy. For specific information regarding time limits for LPP projects, please contact Don Hartin at [dhartin@dgs.ca.gov](mailto:dhartin@dgs.ca.gov) or (916) 445-0529.

The SAB approved 457 applications for eligibility and 14 funding grant applications for new construction projects for the SFP. The SAB also made "unfunded" approvals for 21 modernization projects in the amount of \$33.1 million. Districts that received a funding approval under the SFP are required to submit the *Fund Release Authorization* (Form SAB 50-05) within 18 months, otherwise, the apportionment will be rescinded. The Form SAB 50-05 is used by the district to certify that the district matching share is available and that the district has entered into a binding contract for at least 50 percent of the construction cost of the buildings in the plans and specifications. Funds will be released to the district upon receipt of a completed Form SAB 50-05 to the Office of Public School Construction (OPSC). For specific information regarding time limits for SFP projects, please contact Carolyn Harmon at [charmon@dgs.ca.gov](mailto:charmon@dgs.ca.gov) or (916) 322-0315.

#### Status of Funds

There is approximately \$31.4 million remaining in prior bond funds in the LPP to address ongoing project costs, bid approvals, and the Northridge Earthquake Program. The balance available from Proposition 1A funds, excluding Class Size Reduction funds, is approximately \$1 billion.

Restricted Maintenance Account

**Lease-Purchase Program**

In accordance with Section 17014 (b) (2) of the Education Code, school districts participating in the LPP, are required to establish and maintain a restricted account within the district's general funds for the exclusive purpose of providing funds for annual ongoing maintenance and routine repair of school facilities. The District may utilize the *Routine Restricted Maintenance Account Certification* (Form SAB 270) to certify compliance. Smaller districts, as defined below, are exempt from this certification.

**School Facilities Program**

In accordance with Section 17070.75 (b) (2) of the Education Code, school districts participating in the SFP are required to establish and maintain a restricted account within the district's general fund for the exclusive purpose of providing funds for ongoing and major maintenance of school buildings. In addition, participating districts must certify that they publicly approved an ongoing and major maintenance plan. Smaller districts as defined below, are not required to maintain a restricted account at the same level as larger districts. However, these smaller districts must certify to the SAB that they can reasonably maintain their facilities with a lesser level of maintenance. Such certification for the SFP must indicate what that lesser level amount of maintenance is. Annual verification of compliance may be made on the *Application for Funding* (Form SAB 50-04).

Definition of a Small School District		
High School District	Elementary School District	Unified School District
Less than 300 ADA	Less than 900 ADA	Less than 1,200 ADA

Any questions concerning this requirement may be directed to Bryan Breaks at bbreaks@dgs.ca.gov or (916) 445-3156.

State Relocatable Classroom Program (SRCP)

The OPSC will have classrooms available for delivery to California school districts by the end of this year through the SRCP. This program is designed to meet classroom needs for K-12 school districts impacted by excessive growth or unforeseen classroom emergencies. The SAB allocates funds for the acquisition, installation, and relocation of portable classroom facilities. The classrooms are leased to the school districts for \$4,000 per year on a year-to-year basis. These 960 square foot facilities are insulated and air-conditioned.

To lease State relocatable classrooms, the district provides initial information verifying eligibility. In addition, the applicant must certify that it meets the conditions as outlined on the *Application to Lease State Relocatable Classroom(s)* (Form SAB 25-2).

For additional information regarding the SRCP and forms, please visit our Web site at <http://www.dgs.ca.gov/opsc>.

Plans and Specifications (P&S)

Districts are again reminded that because of the limited storage space available, the OPSC no longer accepts hard copies of the P&S for **new construction** projects submitted for review by the OPSC. Plans must be submitted in the form of CD-ROM, "Zip Drive" or 3½" floppy disk, readable by AutoCAD 2000 in place of blueprints for new construction projects. P&S for modernization projects are not required to be submitted in electronic CAD format, however in order to facilitate the review process, we recommend districts submit the plans in this manner whenever possible.

For additional information regarding the submittal of electronic plans and specifications, please visit our website at <http://www.dgs.ca.gov/opsc>.

Announcements

After three years as Executive Officer of the Office of Public School Construction and the State Allocation Board, Mr. Ted Dutton has resigned to return to his home and business interests in Southern California. Mr. Dutton was appointed to his position in July 1996 by Governor Pete Wilson. During his tenure, Ted brought private sector attitudes and enthusiasms to the state funding process. He was responsible for significantly streamlining processes within the OPSC, and was instrumental in computerizing the office and making information readily available to OPSC's clients through the Internet. Ted directed the implementation of Senate Bill 50, and his efforts resulted in hundreds of millions of dollars in apportionments from Proposition 1A within one month of the passage of that bond.

Should you have questions or need any additional information regarding the contents of this letter, please contact your Project Manager.

Sincerely,

LUISA M. PARK  
Interim Executive Officer  
Office of Public School Construction

LMP:DTH:ed



Date: September 9, 1999 Mass Mailer #99-15

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD  
AND OTHER PERTINENT INFORMATION**

On August 25, 1999, the State Allocation Board (SAB) apportioned \$5.7 million for Lease-Purchase Program (LPP) new construction and modernization projects, \$89.2 million for School Facility Program (SFP) new construction projects and \$.3 million for Deferred Maintenance Program critical hardship projects. The above numbers include requests for financial hardship.

#### Consent Calendar

The cost indices under the LPP for Class B, Class D, Furniture and Equipment and the Historical Savings Index Furniture/Equipment remain unchanged.

The consent agenda included LPP Phase C (construction) apportionments, bid approvals, and ongoing project cost increases. Districts that received a Phase C apportionment pursuant to the provisions of the LPP are subject to the "one year" Time Limit on Apportionment Policy. For specific information regarding time limits for LPP projects, please contact Don Hartin, Appeals Unit Supervisor, at [dhartin@dgs.ca.gov](mailto:dhartin@dgs.ca.gov) or (916) 445-0529.

The SAB approved 134 applications for eligibility and 17 funding grant applications for new construction projects for the SFP. The SAB also made "unfunded" approvals for 17 modernization projects in the amount of \$6 million. Districts that received a funding approval under the SFP are required to submit the *Fund Release Authorization* (Form SAB 50-05) within 18 months; otherwise, the apportionment will be rescinded. The Form SAB 50-05 is used by the district to certify that the district matching share is available and that the district has entered into a binding contract for at least 50 percent of the construction cost of the buildings in the plans and specifications (P&S). Funds will be released to the district upon receipt of a completed Form SAB 50-05 to the Office of Public School Construction (OPSC). For specific information regarding time limits for SFP projects, please contact Carolyn Harmon, Audits Unit Supervisor, at [charmon@dgs.ca.gov](mailto:charmon@dgs.ca.gov) or (916) 322-0315.

#### Class Size Reduction (CSR) Funding

The SAB set aside \$591 million of Proposition 1A funds for CSR purposes. Of these funds, the SAB transferred \$83 million to the California Department of Education (CDE) for apportionment to districts for CSR facilities as provided by Proposition 1A. The CDE anticipates that these funds will be available to the districts in September. For specific information regarding this funding, please contact Fred Yeager, Consultant with the CDE, at (916) 327-7148.

### Modernization Funding

The SAB addressed the remaining “grandfathered” modernization projects and considered funding these projects with existing available resources. There were a total of \$160 million in projects ready for funding; however, districts willing to delay funding for their project(s) until July 2000, totaled \$53 million. The SAB approved the placement of these \$53 million in projects on the “unfunded” list with an approval date of May 26, 1999. The remaining projects, which totaled \$107 million, were funded by a transfer of \$90 million from the hardship category to the modernization category. Districts that received an apportionment must submit the *Fund Release Authorization* (Form SAB 50-05) within 18 months or the modernization grant shall be rescinded without further Board action.

### Adjustments to Existing School Building Capacity

The SAB considered an amendment to its SFP Regulations to allow the exclusion of permanent classroom space that was included in a construction contract that was signed between August 27, 1998 and November 18, 1998. The SAB approved the exclusion of these classrooms provided the district did not have full eligibility for the classrooms included in the contract under the provisions of the LPP. As a result, the SAB adopted an amendment to Regulation Section 1859.32 as follows:

- (l) any permanent classroom contained in a project for which the construction contract was signed between August 27, 1998 and November 18, 1998 and for which the district did not have full project eligibility under the LPP.

### Construction Cost Containment and Alternative Construction

Provisions in Senate Bill (SB) 50 require the SAB to adopt guidelines for use by districts to achieve measurable reductions in the cost of school facilities construction. The OPSC issued a “Request for Qualifications” and has selected Vanir Construction Management, Inc. to develop these guidelines. Part of the development of these guidelines will be made as a result of various workshops to be scheduled in the near future, which will address all aspects of the school construction process.

The OPSC and Vanir Construction Management, Inc. will be sending out invitations to interested parties to participate in these cost containment workshops or to submit suggestions for topics and issues to be included. Should you have questions regarding the cost containment guidelines, please contact Dave Zian at dzain@dgs.ca.gov or (916) 322-5263.

### Plans and Specifications

Districts are reminded that they must submit a complete set of the Division of the State Architect (DSA) approved plans for a SFP project grant, even if the project will be constructed using pre-manufactured relocatables. When a project will be constructed using pre-manufactured portables, it is customary for the district to bid the buildings utilizing only specifications and then have the successful awardee (the manufacture) design and obtain DSA approval of the plans.

Under the LPP, districts were allowed to obtain an apportionment based on the specifications for this type of construction; however, under the provisions of the SFP, it is necessary to obtain full DSA approval of those plans before the project will qualify for funding. For

additional information regarding the submittal of P&S, please visit our Web site at <http://www.dgs.ca.gov/opsc>.

### Status of Final Regulations

The Office of Administrative Law (OAL) is currently reviewing the final regulations. It is anticipated that the regulations will become effective in September and the new forms will be made available at that time.

Until the final regulations become effective, the SAB will continue to operate under the Emergency Regulations approved by the OAL on December 3, 1998. The following procedures/policies shall apply for the processing and approval of applications during this interim period:

### **Applications Previously Approved by the SAB**

- Any SFP funding application, with the exception of separate site/design approvals, that received an apportionment or an unfunded approval may not be amended after the final regulations become effective.
- Any SFP application for eligibility may be amended after the final regulations become effective to conform to the provisions of the final regulations.

### **Applications Being Processed by the OPSC/ No SAB Approval**

- Districts that submitted requests for eligibility or funding prior to the final regulations becoming effective, may elect to either withdraw the application and resubmit it under the provisions of the final regulations or continue to have the application funded under the original emergency regulations. If the district wishes its application to be approved based on the final regulations, it must request that the application be withdrawn and resubmitted to the OPSC based on the new forms and final regulations, once they become effective. An application withdrawn will not retain its OPSC processing date. Unless the district withdraws the application, the OPSC will continue to process those applications based on the emergency regulations. The OPSC will not **"hold"** a district's application request until the final regulations become effective.
- Eligibility and funding applications submitted to the OPSC after the final regulations become effective must be made based on the new forms and the final regulations.

Should you have questions or need any additional information regarding the contents of this letter, please contact your Project Manager.

Sincerely,

LUISA M. PARK  
Interim Executive Officer  
Office of Public School Construction



State of California • Department of General Services • Gray Davis,  
Governor

## OFFICE OF PUBLIC SCHOOL CONSTRUCTION

I n t e r a g e n c y   S u p p o r t   D i v i s i o n

1130 K Street, Suite 400 • Sacramento, California 95814 • (916) 445-  
3160

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Date: October 21, 1999 Mass Mailer #99-16

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD  
AND OTHER PERTINENT INFORMATION**

On September 22, 1999, the State Allocation Board (SAB) apportioned \$2.5 million for Lease-Purchase Program (LPP) new construction and modernization projects, \$20.8 million for School Facility Program (SFP) new construction projects, and \$173.6 million for Deferred Maintenance (DM) projects (\$154.6 million for the basic apportionments and \$19 million for DM critical hardship projects). The above numbers include requests for financial hardship.

### Consent Calendar

The cost index under the LPP for the Class B Index increased from 1.33 to 1.34 and the Class D Index increased from 1.32 to 1.33, effective September 1, 1999. The LPP Construction Cost Indices for Furniture/Equipment and the Historical Savings remain unchanged.

The consent agenda included LPP bid approvals and ongoing project cost increases. In addition, the SAB approved 211 eligibility applications and 22 funding grant applications for new construction projects for the SFP. The SAB also made "unfunded" approvals for 38 modernization projects in the amount of \$50.8 million.

### Interim Financing for School Facilities

The SAB approved the Interim Financing Program by accepting a report by the State Treasurer and the California School Finance Authority (CSFA) regarding the proposed program to provide interim financing for "unfunded" modernization projects eligible for state funding under the SFP. Please note that any interim financing costs associated with this program are the responsibility of the district and are not reimbursable under the SFP. For specific information regarding the Interim Financing Program for modernization projects, please contact Lisa Presta, Executive Director, CSFA, at [lpresta@treasurer.ca.gov](mailto:lpresta@treasurer.ca.gov), (916) 653-2913 or (213) 620-4467.

### Deferred Maintenance Funding

The SAB apportioned funds to school districts for critical hardship projects and basic DM participation. County offices of education (COE) must certify to the OPSC by November 30, 1999, the amount the school districts within their county and the COE have deposited in their DM fund in order to receive these funds.

The *Certification of Deposits* (Form SAB 40-7) can be found on the OPSC Web site at <http://www.dgs.ca.gov/opsc>. This form is located under Resource Information *Certificate of Deposit, Deferred Maintenance* (Forms Listing/SAB 40-7). Please mail the certification to:

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

After the certification is received, a fund release will be processed and forwarded to the county treasurer as soon as possible for the lesser of the amount apportioned to the district or the amount deposited by the district as certified by the COE. Deposits which are not certified to the OPSC by November 30, 1999 are subject to rescission. For specific information regarding the DM Program, please contact Keith Collier, DM Project Manager, at [kcollier@dgs.ca.gov](mailto:kcollier@dgs.ca.gov) or (916) 323-3443.

#### Purchase of State Relocatable Classrooms

The SAB authorized the OPSC to purchase up to 500 new relocatable classrooms. School districts anticipating a need for state relocatable buildings are encouraged to file an application now. For specific information regarding the State Relocatable Classroom Program (SRCP), please contact Olivia Campos-Mulligan, SRCP Project Manager, at [campos@dgs.ca.gov](mailto:campos@dgs.ca.gov) or (916) 323-2282.

#### Use of SFP Grants for Non-Classroom Facilities and Other Grade Levels

The SAB has directed the OPSC to develop proposed regulation changes to address the appropriate use of grants for non-classroom facilities and the use of grants funds based on eligibility generated by another grade level. These proposed regulations will be presented at a forthcoming SAB Implementation Committee meeting for input in developing suggested language for a regulatory change. In the interim, the OPSC shall continue to process SFP applications that contain these types of requests; however, the OPSC will elevate these grant requests to the SAB for approval on a case-by-case basis. For specific information regarding your SFP application, please contact your Project Manager.

#### SFP Application Processing

A report was presented to the SAB delineating options for reducing the SFP application processing functions in order to meet a 60 to 90 day processing goal. The SAB directed the OPSC to continue with its current processing functions and proceed with a budget change proposal to increase staff.

#### Implementation of AB 191

AB 191 authorizes the SAB to approve projects under the LPP for the construction of either a gymnasium or multipurpose room on a site where the district has constructed other facilities on that site within the previous two years with local funding. The SAB adopted the provisions of the program but directed the OPSC not to accept program applications until it can be determined if specific funding is available for this purpose. The SAB shall review available

funding at the March 2000 SAB meeting. If program funding is available, the SAB may modify the time period for filing applications and notify districts accordingly.

#### Class Size Reduction (CSR) Funding

The SAB re-addressed and approved the reservation of \$511 million of Proposition 1A funds for CSR purposes, to provide funding for the following categories:

- \$217 million to provide CSR facility grants to implement the K-3 CSR Program.
- \$294 million for districts with impacted sites.

Since Assembly Bill 695 was signed into law (Ch 858/99), the SAB will revisit this issue in January 2000. For specific information regarding this funding, please contact Fred Yeager, Consultant with the California Department of Education (CDE), at (916) 327-7148.

#### Other Issues

The Office of Administrative Law (OAL) approved the final regulations for the SFP and filed them with the Secretary of State on October 8, 1999. The new SFP forms and the final regulations are now available on the OPSC Web site. The OPSC will present an item to the SAB on October 27, 1999 to address the processing and approval of applications during the period of time between the adoption of the amended regulations and the approval of the final regulations.

Copies of the applicable SAB actions can be found on the OPSC Web site at <http://www.dgs.ca.gov/opsc>. Should you have questions or need any additional information regarding the contents of this letter, please contact your Project Manager.

Sincerely,

LUISA M. PARK  
Interim Executive Officer  
Office of Public School Construction

LMP:LM:cs



State of California • Department of General Services • Gray Davis, Governor

**OFFICE OF PUBLIC SCHOOL CONSTRUCTION**

Interagency Support Division

1130 K Street, Suite 400 • Sacramento, California 95814 • (916) 445-3160

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Date: November 1, 1999

Mass Mailer: 99-17

To: All School Districts and County Superintendents of Schools

Subject: **AVAILABILITY OF STATE RELOCATABLE CLASSROOMS**

On September 22, 1999, the State Allocation Board (SAB) authorized the Office of Public School Construction (OPSC) to purchase up to 500 new relocatable classrooms. As a result, the OPSC currently has buildings available for lease to school districts and County Superintendents of Schools.

School districts anticipating a need for State relocatable classrooms are encouraged to apply as soon as possible. The State Relocatable Classroom Program Handbook and application forms are on the OPSC Web site at [www.dgs.ca.gov/opsc](http://www.dgs.ca.gov/opsc). For specific information regarding the State Relocatable Classroom Program (SRCP), please contact Ms. Olivia Campos-Mulligan, SRCP Project Manager, at [olivia.campos@dgs.ca.gov](mailto:olivia.campos@dgs.ca.gov) or (916) 323-2282.

Sincerely,

LUISA M. PARK  
Interim Executive Officer  
Office of Public School Construction

LMP:RS:OCM:ocm



Date: November 8, 1999 Mass Mailer #99-18

To: All School Districts and County Superintendents of Schools

Subject: **WITHDRAWAL AND RESUBMITTAL OF SCHOOL FACILITY PROGRAM APPLICATIONS**

At the request of the State Allocation Board (SAB) and to assure that all districts are treated fairly, the Office of Public School Construction (OPSC) has developed the following processing guidelines which would allow districts, under certain circumstances, to withdraw its application request and resubmit it based on the final School Facility Program (SFP) Regulations. The processing guidelines have been reviewed by the SAB Implementation Committee and were approved by the SAB at the October 27, 1999 meeting as follows:

#### **Applications Already Funded**

1. A SFP application that received full grant funding will not receive subsequent grant adjustments to reflect changes in law or administrative regulations.
2. A SFP application that received full grant funding may not be rescinded and re-approved in order to receive benefits brought about by changes in law or administrative regulations.

#### **Applications Approved, But Not Yet Funded**

1. A SFP application that has been placed on an unfunded list in lieu of an apportionment shall not receive subsequent grant adjustments, except as outlined in No. 2 immediately below, to reflect changes in law or administrative regulations. However, the grant shall be adjusted by the construction cost index in effect at the time the full funding apportionment is made.
2. A SFP application that has been placed on an unfunded list in lieu of an apportionment may be withdrawn and resubmitted for SAB approval to receive the benefits of changes in law or administrative regulations. The district must first request that the application be withdrawn and removed from the SAB approved "unfunded" list. The district may then resubmit the application under the provisions of the regulations in effect at the time of the resubmittal. The resubmitted application will be treated as a completely new application, and shall not receive priority for processing by the OPSC.

#### **Applications In Process, But Not Approved**

1. A SFP application submitted but not yet funded or placed on an unfunded list shall continue to be processed and funded under the provisions of the laws and regulations in effect at the time of the original application submission. The application will not be adjusted to reflect changes in law or regulations that occur prior to SAB approval.

**Applications In Process, But Not Approved (cont.)**

2. A SFP application submitted but not yet funded or placed on an unfunded list may be withdrawn and resubmitted to receive the benefits of changes in law or administrative regulations. The district must first request that the application be withdrawn and removed from the OPSC workload list. The district may then resubmit the application under the provisions of the regulations in effect at the time of the resubmittal. The resubmitted application will be treated as a completely new application, receive a new application receipt date and will not receive priority for processing by the OPSC.
  
3. A SFP application for eligibility determination may be amended at any time to receive the benefits of changes in law or administrative regulations. The application for eligibility shall retain its OPSC processing date as long as the request and required amended documentation are received prior to when the OPSC processes the original application. If the application has been approved or the review has been completed, the amended application will be given a new processing date, once received by the OPSC.

Should you have questions or need any additional information regarding the contents of this letter, please contact your Project Manager.

Sincerely,

LUISA M. PARK  
Interim Executive Officer  
Office of Public School Construction

LMP:LM:ed



Date: November 8, 1999 Mass Mailer #99-19

To: All School Districts and County Superintendents of Schools

Subject: **USE OF SCHOOL FACILITY PROGRAM PROJECT SAVINGS**

At the request of the State Allocation Board (SAB), the Office of Public School Construction (OPSC) was directed to clarify how School Facility Program savings are treated and captured for other districts' projects if the district was approved for a financial hardship. The OPSC developed a clarification statement that was approved by the SAB at the October 27, 1999 meeting as follows:

- Separate site and/or design funding applications are not subject to the savings criteria outlined in Regulation Section 1859.103. They are not deemed to be completed projects until the separate funding applications have been "matched" by an off-set of the apportionment when the district submits the new construction or modernization final funding applications for the entire project. Once the project is "matched," savings will be recognized as outlined in Regulation Section 1859.103.
- The State's portion of any savings on either a new construction or modernization funding application, with or without financial hardship funding, are subject to capture by the OPSC for three years to reduce the financial hardship funding on other projects of the district. The three-year period for each funding application begins once the savings are declared by the district or when determined by the OPSC, whichever occurs first, and ends three years later. If savings are not captured by the OPSC within the three-year period, the district may use the savings for other high priority capital facility needs of the district.
- If a district has no financial hardship projects or does not contemplate filing for financial hardship, any declared or determined savings may be used immediately for other high priority capital facility needs of the district.
- The State's portion of the savings includes any portion of savings financed with financial hardship funding.
- The determination of savings by the OPSC will occur within two years of whichever date occurs first:
  - The date the district filed the "notice of completion" for the project, all outstanding invoices, claims, change orders have been satisfied and the facility is currently in use by the district.
  - Three years for elementary and four years for middle and high school projects from the date of the final fund release for the project.
  - The date the OPSC receives the final expenditure report from the district.

- If the OPSC does not determine the savings on the project within the two-year period, the district may then use any savings for other high priority capital facility needs of the district.

Should you have questions or need any additional information regarding the contents of this letter, please contact Carolyn Harmon, Audits Supervisor, at [charmon@dgs.ca.gov](mailto:charmon@dgs.ca.gov) or (916) 322-0315.

Sincerely,

LUISA M. PARK  
Interim Executive Officer  
Office of Public School Construction

LMP:LM:



Date: November 12, 1999 Mass Mailer #99-20

To: All School Districts and County Superintendents of Schools

Subject: **UPDATE TO SCHOOL FACILITY PROGRAM ELIGIBILITY TO REFLECT  
CURRENT CBEDS AND TO CORRECT ERRORS/OMISSIONS**

New construction baseline eligibility determinations that have been approved by the SAB must be adjusted for changes in the district's projected enrollment if a new application for funding or eligibility approval is filed in subsequent enrollment reporting years (Regulation Section 1859.51). Since the California Basic Education Data Systems (CBEDS) enrollment data for 1999-2000 was made available in October, the following procedures shall apply:

- Applications for **eligibility** filed after December 31, 1999, must include the *Enrollment Certification/Projection*, (Form SAB 50-01) and the *Eligibility Determination*, (Form SAB 50-03) based on current-year (i.e., 1999-2000) enrollment data.

Eligibility applications received by December 31, 1999 will be processed based on 1998-1999 as current-year enrollment data.

- Applications for **new construction** funding received after December 31, 1999, must include a new Form SAB 50-01 based on current-year (i.e., 1999-2000) enrollment data. The district's approved new construction baseline eligibility will be adjusted for increases or decreases in enrollment and the district will be notified by letter of any change.

Requests for funding received no later than December 31, 1999 will be processed subject to eligibility established as of that date.

Previously approved **modernization** baseline eligibility determinations may be adjusted for any increase in the district's school enrollment in subsequent enrollment reporting years (Regulation Section 1859.61). The district may request an adjustment to the modernization baseline by completing an amended *Eligibility Determination*, (Form SAB 50-03) based on current-year (i.e., 1999-2000) enrollment data and submitting that form to the OPSC.

In addition, the final regulations provide for adjustments to the new construction and modernization baseline eligibility for errors and omissions by either the OPSC or the district and for changes in the regulations that affect the district's existing school building capacity or enrollment (Regulation Sections 1859.51 and 1859.61). Should the district wish to adjust its baseline eligibility for these purposes, the district must complete new eligibility documents and

submit them to the OPSC with a letter from the district identifying the specific adjustment(s) requested. Please refer to our correspondence dated November 8, 1999 for information regarding the withdrawal and resubmittal of SFP applications (see OPSC's Internet site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov)).

Should you have questions or need any additional information regarding the contents of this letter, please contact your Project Manager.

Sincerely,

LUISA M. PARK  
Interim Executive Officer  
Office of Public School Construction

LMP:LM:ed



Date: November 18, 1999 Mass Mailer #99-21

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD  
AND OTHER PERTINENT INFORMATION**

On October 27, 1999, the State Allocation Board (SAB) apportioned \$101.3 million for School Facility Program (SFP) new construction and modernization projects, \$0.6 million for Lease-Purchase Program (LPP) new construction and modernization projects, \$1 million for Deferred Maintenance Program critical hardship projects, and \$0.4 million for Year-Round Schools Air-Conditioning/Insulation projects. The above numbers include requests for financial hardship. As of October 27, 1999, approximately \$2.4 billion has been allocated for new construction, modernization, and Class Size Reduction (CSR) projects from Proposition 1A.

#### Consent Calendar

The cost index under the LPP for the Class B Index increased from 1.34 to 1.35, the Class D Index increased from 1.33 to 1.35, the Furniture/Equipment Index increased from 1.35 to 1.36, and the Historical Savings Index increased from 6.19 to 6.21, effective October 1, 1999.

The consent agenda included LPP bid approvals and ongoing project cost increases. In addition, the SAB approved 60 eligibility applications and 79 funding grant applications for new construction projects for the SFP. The SAB also made "unfunded" approvals for 50 modernization projects in the amount of \$60 million.

#### Status of Funds

The balance of funds available from Proposition 1A, excluding Class Size Reduction funds, is approximately \$672.5 million. There is approximately \$39.3 million remaining in prior bond funds in the LPP to address ongoing project costs, bid approvals, and the Northridge Earthquake Program. A report was presented to the SAB indicating that 95 percent of the Proposition 203 funds have been released to the applicant districts. The remaining five percent is comprised primarily of funds for deferred construction items. This report also provided district survey results, indicating that the majority of the funded Proposition 1A projects have already been bid, and most of the remaining projects will be bid in the next three months.

#### Joint-Use Projects

The SAB accepted a report delineating the joint-use LPP projects funded from both Propositions 203 and 1A. The SAB directed the OPSC to develop a method to identify *SFP* projects that are involved in joint-use agreements.

### Public Utilities Commission Funds-Evaluation of the Education Technology Program

The SAB accepted a report that provided an evaluation of school district expenditures made with Public Utilities Commission funds under the Education Technology Grant Program of 1996.

### Force Account Labor Under the SFP

The SAB directed the OPSC to develop a regulation for districts to submit reports when force account labor will be utilized in a SFP project. The proposed regulation will be presented to the SAB at a future meeting.

### Multitrack Year-Round Education Adjustments

The SAB directed the OPSC to develop and present a proposed regulation change at its December 8, 1999 meeting, to consider an amendment to the SFP multitrack year-round education (MTYRE) adjustment for high school districts. The MTYRE adjustment proposal is eight percent of the high school district capacity for the high school district filing on a high school attendance area basis.

### SFP Project Savings Report

The SAB accepted a report to clarify the existing SFP Regulations and current processing procedures on the use of project savings. Please refer to our correspondence dated November 8, 1999 for further information on this topic, a copy of which can be found on our Internet site.

### Withdrawal and Resubmittal of Applications Based on Final Regulations

The SAB adopted an amendment to the SFP Regulations to incorporate Section 1859.107, Amending and Withdrawal of Applications. Please refer to our correspondence dated November 8, 1999 for further information on this topic, a copy of which can be found on our Internet site.

### SFP Parking Garage Funding

The SAB adopted an amendment to SFP Regulation Section 1859.76, to authorize as a service site development costs the construction of multilevel parking structures on impacted sites. The OPSC is unable to accept requests for SFP parking garage funding until this amendment has been approved by the Office of Administrative Law (OAL). Districts will be notified when this occurs.

### SFP Site and/or Design Hardship Funding

The SAB adopted an amendment to SFP Regulation Section 1859.81 to allow the State's share of a financial hardship project to be funded with hardship funds until the new construction or modernization final grant is made for the project. As a result, the SAB approved separate design funding for certain modernization projects from funds available for hardship. The affected districts will be notified by separate letter. For specific information regarding your SFP application, please contact your Project Manager.

Class Size Reduction Funding

The SAB approved the transfer to the California Department of Education (CDE) of approximately \$34.4 million of Proposition 1A funds for CSR purposes. For specific information regarding this funding, please contact Fred Yeager, Consultant with the CDE, at (916) 327-7148.

Other Issues

- The OAL approved the final SFP Regulations and filed them with the Secretary of State on October 8, 1999. The revised SFP forms and the final Regulations are now available on the OPSC Internet site.
- The November and December SAB meetings will be combined and held on December 8, 1999.
- As a result of the signing of Assembly Bill 636, the California School Finance Authority (CSFA) Interim Financing Program is now in effect. For specific information regarding the Interim Financing Program for modernization projects, please contact Lisa Presta, Executive Director, CSFA, at [lpresta@treasurer.ca.gov](mailto:lpresta@treasurer.ca.gov), (916) 653-2913 or (213) 620-4467.

Copies of the applicable SAB actions can be found on the OPSC Internet site at [www.opsc.dgs.ca.gov](http://www.opsc.dgs.ca.gov). Should you have questions or need any additional information regarding the contents of this letter, please contact your Project Manager.

Sincerely,

LUISA M. PARK  
Interim Executive Officer  
Office of Public School Construction

LMP:LM:ed



State of California • Department of General Services • Gray Davis, Governor

**OFFICE OF PUBLIC SCHOOL CONSTRUCTION**

Interagency Support Division

1130 K Street, Suite 400 • Sacramento, California 95814 • (916) 445-3160

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Date: December 2, 1999 Mass Mailer #99-22

To: All School Districts and County Superintendents of Schools

Subject: **SCHOOL FACILITY PROGRAM GRANTS CURRENTLY NOT PERMITTED  
FOR PROJECTS ON LEASED LAND**

At the October 27, 1999 State Allocation Board (SAB) meeting, the issue of building facilities on long-term leased land was discussed. The SAB approved the concept; however, it was determined that a legislative remedy was required because of the language in Education Code Section 17070.70 which provides that districts must hold title to all property acquired, constructed, or improved with funds made available under the School Facility Program (SFP). Until legislation is passed to address this issue, SFP grants cannot be made for projects in which the facilities are being built or improved on leased land.

If the district utilizes SFP grants for construction or improvement of facilities on land not owned by the district, those expenditures will be deemed ineligible for reimbursement at the time of the project audit. Expenditures deemed ineligible are subject to an adjustment of the SFP grant apportionment as provided in the SFP Regulation Section 1859.106.

Should you have questions or need any additional information regarding the contents of this letter, please contact your project manager.

Sincerely,

LUISA M. PARK  
Interim Executive Officer  
Office of Public School Construction

LMP:LM:JF:kd