



CSFC Connection

CSFC Represented on Audit Subcommittee Working Group

We are pleased to announce that the County School Facilities Consortium (CSFC) has been selected to participate in the State Allocation Board's (SAB) Audit Subcommittee Working Group. CSFC received a letter on March 4, 2010 requesting our participation. The Executive Committee has nominated CSFC Chair Andrea Sullivan to serve as our representative on the working group.

Senator Alan Lowenthal, Chair of the SAB Audit Subcommittee, requested that the working group be

formed to provide recommendations to the Subcommittee at the last SAB meeting on February 24, 2010.

The Office of Public School Construction (OPSC) staff initially raised concerns regarding the formation of such a group stating that their staff outreach scheduled throughout the state (see gray box below) would cover any stakeholder input regarding this new process.

Testimony was also given by an Assistant Attorney General regarding the legality and appropriateness of

audit standards being developed by those subjected to an audit.

Senator Lowenthal clarified that the Subcommittee would be providing general recommendations and input and would not be writing the actual audit standards, so this was not an issue.

The SAB agreed that the group could be formed informally and would not need SAB action to assemble. A date has not yet been set for the first meeting of the subcommittee.

State Bond Sale Update

On Thursday, March 11, the State Treasurer issued a statewide bond sale for construction projects that turned out much better than expected especially for school facilities that are reported to receive \$376 million of the bonds sold.

Earlier in the week buyer demand caused the state to increase the total size of the offering from \$2 billion to \$2.5 billion. The tax-free, general-obligation bonds, which will fund voter-approved infrastructure projects, attracted orders totaling \$1.38 billion from individual investors on the Tuesday and Wednesday prior to the bond sale.

We have now heard from the Of-

fice of Public School Construction (OPSC) staff that the funds may be made available to K-12 schools as soon as next month. We will keep you updated as funds may be apportioned as early as April, after certification of the bond.

According to the Los Angeles Times "Despite its weak credit rating and the ongoing struggle to plug a \$20-billion budget gap, California benefited from investors' still-voracious hunger for fixed-income securities. The state sold bonds ranging in maturity from one year to 30 years."

We will keep you updated as to funding that will come to schools as a result of this sale.

The Division of the State Architect (DSA) & The Office of Public School Construction (OPSC) Outreach

Town Hall Meetings

Friday, March 12
Butte County Office of Education

Friday, March 12
Merced County Office of Education

Friday, March 19
Orange County Dept. of Education

For more information, visit:
dgs.ca.gov/townhall

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Construction Cost Index - Reduced Adjustment and Discussions

Discussions continued over the last two State Allocation Board (SAB) meetings regarding the Annual Base Grant Adjustment. The grant amount is adjusted every year in January, based on the changes to the Class B Construction Cost Index (CCI), by action of the SAB.

During their January meeting, the SAB voted to reduce the grants based on information provided from two indices that have been used in the past.

According to a Office of Public School Construction (OPSC) staff report: *Prior to January 1, 2005, base grant amount adjustments were based on the Marshall & Swift (M&S) Ten Western States Index. At the March 2005 SAB meeting,*

the SAB adopted the M&S Eight California Cities Index as the index most closely reflecting the building climate in California. In December 2007, the SAB used the M&S Ten Western States Index.

The 2009 adjustment was made according to the Eight California Cities Index.

During the period of January 1, 2009 through January 1, 2010, the OPSC report stated the M&S Eight California Cities Index and Ten Western States Index changed by -6.74 and -6.22 percent respectively.

Based on this information, in January, the SAB approved unfunded projects and a decrease in CCI apportionments and proposed two tiers

of funding with a cutoff established after which projects would receive the reduced amount.

Since that time, SAB members have received numerous letters from districts requesting reconsideration. As discussed by the SAB members at their February meeting, districts feel they were disadvantaged by the fact that the SAB did not meet in December and they would have been approved at that time, and thus would not be subject to the reduced CCI.

It is anticipated that this issue will reappear on the upcoming SAB agenda for the March meeting along with a broader discussion of whether they were legally able to create this two-tiered CCI adjustment.

CSFC Seeks Input for 2010 Summit

It's that time of year again to begin the planning of the 2010 CSFC Annual Summit. CSFC is seeking your help in determining our location and subject matter.

For the past two years we have held our annual meeting in Sacramento to allow our members to interact with their Legislators and to encourage state agency participation. CSFC Staff is looking for input in the following areas:

Location: We have held the Summit at both the Embassy Suites Hotel and the Doubletree Hotel in Sacramento. Please let us know if you enjoyed one of these locations more than the other or would like to suggest a different hotel.

Dates: The Summit is typically held in late September centered around the State Allocation Board Meeting. Let us know if this is an appropriate travel period for you.

Topics: CSFC would like to focus the Summit topics in relation to our 2010 Goals. This would include Financial Hardship & Audits, Updates from the California Department of Education Special Education Site & Plans working group, and Master Planning. Let us know the topics of interest for your COE or state agencies you would like to hear from.

Please forward any comments or suggestions to Anna Ferrera at aferrera@m-w-h.com or Meagan Poulos at mpoulos@m-w-h.com.

CSFC Executive Committee

Andrea Sullivan, Chair
Orange County Dept. of Ed.

Jenny Hannah
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Kathy Lasiter
Stanislaus COE

Mamie Starr
San Joaquin COE

Lindsay Currier
Riverside COE

Jeff Becker
Fresno COE

Dave Keil
San Luis Obispo COE

Legislative Update: Senator Hancock Introduces Bill to Address Special Education Facilities

Current law requires that facilities for students with special needs be designed and located to maximize interaction between those students and other pupils in their peer group.

Senate Bill 1432, a bill introduced last month by Senator Loni Hancock (D-Oakland), would require a school district to certify that it has consulted with the county office of education and special education local planning agency (SELPA) and that the project includes the necessary school facilities and supporting infrastructure for special needs students or to certify that it has sufficient land (acreage) to support the construction of such classrooms along with appropriate location as a condition of funding under the School Facility Program (SFP).

The language in the bill is certain to change based on concerns expressed by school districts. This will likely mean that the certification comes earlier in the process with approval by the California Department of Education (CDE).

CSFC will be working with the Coalition for Adequate School Housing (C.A.S.H.) to design a bill that will best result in special education facilities that serve the needs of the

students and meet the state and federal law regarding least restrictive sites and inclusion.

The bill can be viewed by clicking this link:

http://www.leginfo.ca.gov/pub/09-10/bill/sen/sb_1401-1450/sb_1432_bill_20100219_introduced.pdf

We will keep you posted on how the language develops.

Other bills to watch:

AB 220 (Brownley)

Placeholder for a school facilities bond. The bill would also authorize the use of a ten-year projection for new construction and critically-overcrowded schools and clarify that portable exclusions per 17070.30 are excluded from capacity adjustments.

AB 1193 (Lowenthal)

High Performing Schools Grants. This bill would provide 50% of the additional costs associated with the use of high-performing design and materials if the project exceeds non-residential building standards by 15%. The bill would limit the amount of this increase to \$3 million per school site. SAB would de-

velop regulations to implement.

SB 1161 (Lowenthal)

Material Inaccuracy. This bill would authorize the State Allocation Board to make the prohibition against self-certification at its discretion, and would delete the exception from the prohibition for the districts repayment.

SB 205 (Hancock)

Qualified School Construction Bonds. This bill would assign specific amounts of the state's bond volume cap to the CDE and, for charter schools, the California School Finance Authority. The bill would thus help clarify that CDE is the lead agency administering these federal tax-free bond authorizations.

CSFC Mission Statement

The County School Facilities Consortium (CSFC) advocates for California's State School Facility Program flexibility and equal access to funding for county offices of education to provide quality school facilities for all students.



Op-Ed: State needs to get to work on school construction

Senator Joe Simitian (D-Palo Alto) wrote an article in the San Francisco Chronicle on March 11, 2010, asking that the state get moving on school construction. It was also highly critical of DSA bin time.

Thursday, March 11, 2010
San Francisco Chronicle
by Joe Simitian

“Jobs, jobs, jobs” was the call from Gov. Arnold Schwarzenegger in his State of the State message. No one heckled. Jobs are a bipartisan aspiration.

Turning it into a bipartisan accomplishment has been more elusive. So it is all the more frustrating when the state fumbles an easy opportunity for more employment - when projects have been designed, money is available, contractors are eager to bid, workers are desperate, and yet all sit and wait for a sluggish bureaucracy.

School district officials up and down the state tell me that they have construction work ready to go. But the plans are stalled at the Division of the State Architect which must approve them. Like many state agencies, the architect’s office has required its employees to take three unpaid furlough days a month - even though when plan-checkers stay home, construction workers remain idle.

The measure of the wait is called “bin time.” Bin time is not how long it takes to review the plans; it’s how long a plan sits before someone even picks it up. At the end of January, bin time was 12 weeks. That’s right, three months.

School districts have the money for new buildings and modernization. Voters in 2006 approved \$7.3 billion for K-12 schools statewide, and local bonds add millions more. California’s construction industry certainly needs the work. It shrank by more than 100,000 jobs in 2009. That means that school districts are missing a prime opportunity to capture low-cost bids, giving the taxpayers more for their money.

Delays on school projects are particularly disruptive. For work that must be done when students are gone, a three-month delay can turn into a year if the project isn’t approved in time for the coming summer.

Instead of furloughs, state architect’s office employees ought to be working full time, and even overtime. If applications temporarily flood in, the agency should contract out for additional reviewers if it believes adding permanent staff is not cost-effective.

Getting these projects underway is not just a benefit for school districts. When people go to work and contractors buy supplies, the state receives sales and income taxes.

Unfortunately, a backlog at the state architect’s office is nothing new. Last April, the agency told school districts it was reordering priorities. In June, acknowledging bin times of

12 weeks, the agency announced it would hire 25 additional staff and take other measures to catch up.

It sounded good. Progress was made. It didn’t last.

Long term, the state and the nation need to reinvigorate the private sector to strengthen our economy. But in the short term, we need government to prime the pump. Right now, no mission of the state is more critical than job creation.

Few projects can match school construction as a quick way to put carpenters, masons, electricians and plumbers back to work and to boost orders for lumber, concrete, lights and pipes.

Schools are waiting to provide better classrooms, libraries and playgrounds for their students. Workers are anxious for a regular paycheck. The money is waiting in the bank.

Everyone is waiting on a state that says it wants nothing more than jobs, jobs, jobs, yet the bureaucracy seems in no hurry to reach in and grab the ones sitting in the bin.

State Sen. Joe Simitian, D-Palo Alto, is a member of the Senate Education Committee.

CSFC 2010-11 Meeting Calendar

General Membership Meetings

October 2010
Westin South Coast Plaza (Tent.)
Time: TBD
Costa Mesa, CA

Executive Board Meetings (open to all)

March 31, 2010 (in-person)
May 5, 2010 (conference call)
June 2, 2010 (in-person)
June 30, 2010 (conference call)
August 4, 2010 (in-person)
September 1, 2010 (conference call)
October 6, 2010 (in-person)
November 3, 2010 (conference call)
December 1, 2010 (in-person)

Executive Board Meetings: All meetings begin at 3:30 p.m. In-person meetings will be held at the Office of Murdoch Walrath & Holmes, 1130 K Street, Suite 210, Sacramento. All meetings will be available via conference call.

State Allocation Board Meetings

March 24, 2010 • 4:00 p.m.
April 28, 2010 • 4:00 p.m.
May 26, 2010 • 4:00 p.m.
June 23, 2010 • TBD
July 28, 2010 • TBD

The SAB meets in different rooms within the State Capitol at 4:00 p.m. when the State Legislature is in the session and at 2:00 p.m. when the State Legislature is out on recess. Due to scheduling changes within the Legislature, some of the SAB meetings may be cancelled or changed with short notice.

Implementation Committee Meetings

A partial 2010 calendar has been released:
Thursday, April 1, 2010 (9:30 a.m.-4:30 p.m.)
Thursday, June 3, 2010

All Implementation Committee Meetings are located at the State Capitol in Room 126, unless noted. Meeting times are scheduled from 9:30 a.m. to 3:30 p.m. with a 1-hour lunch break.

