

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 26, 2011

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

PURPOSE OF REPORT

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

DESCRIPTION

This item provides a comparison of several construction cost indices and shows the rate of change for the current year. The Board must select an index to be used to adjust the SFP grants amounts for calendar year 2011.

AUTHORITY

For New Construction grant, EC Section 17072.10(b) states, "The Board shall annually adjust the per-unhoused-pupil apportionment to reflect construction cost changes, as set forth in the statewide cost index for class B construction as determined by the Board." EC Section 17072.11(a)(3) states, "The Board shall conduct an analysis of the relationship between the per-unhoused-pupil grant eligibility determined under this article and the per-pupil cost of new school construction for elementary, middle, and high school pupils."

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

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

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

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

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BACKGROUND

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

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

STAFF ANALYSIS

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

The M&S Eight California Cities CCI increased by 4.28 percent during the period of January 1, 2010 through January 1, 2011. The figures shown on Attachment A reflect the calculated increase. Attachment A also notes the specific regulation sections.

Attachment B also shows the CCI for Lee Saylor and M&S Ten Western States.

RECOMMENDATION

Adopt the M&S Eight California Cities CCI adjustment for 2011 SFP grants.

This Item was approved by the State Allocation Board on January 26, 2011.

ATTACHMENT A

**ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS
State Allocation Board Meeting, January 26, 2011**

Grant Amount Adjustments

		Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-10*	Current Grant Per Pupil Effective 1-1-11
New Construction	Elementary	1859.71	\$8,738	\$9,112
	Middle	1859.71	\$9,241	\$9,637
	High	1859.71	\$11,757	\$12,260
	Special Day Class – Severe	1859.71.1	\$24,550	\$25,601
	Special Day Class – Non-Severe	1859.71.1	\$16,418	\$17,121
	Automatic Fire Detection/Alarm System – Elementary	1859.71.2	\$10	\$11
	Automatic Fire Detection/Alarm System – Middle	1859.71.2	\$14	\$15
	Automatic Fire Detection/Alarm System – High	1859.71.2	\$23	\$24
	Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.71.2	\$45	\$47
	Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.71.2	\$31	\$32
	Automatic Sprinkler System – Elementary	1859.71.2	\$147	\$153
	Automatic Sprinkler System – Middle	1859.71.2	\$175	\$182
	Automatic Sprinkler System – High	1859.71.2	\$181	\$189
	Automatic Sprinkler System – Special Day Class – Severe	1859.71.2	\$464	\$484
	Automatic Sprinkler System – Special Day Class – Non-Severe	1859.71.2	\$311	\$324
Modernization	Elementary	1859.78	\$3,328	\$3,470
	Middle	1859.78	\$3,520	\$3,671
	High	1859.78	\$4,607	\$4,804
	Special Day Class - Severe	1859.78.3	\$10,600	\$11,054
	Special Day Class – Non-Severe	1859.78.3	\$7,092	\$7,396
	State Special School – Severe	1859.78	\$17,673	\$18,429
	Automatic Fire Detection/Alarm System – Elementary	1859.78.4	\$106	\$111
	Automatic Fire Detection/Alarm System – Middle	1859.78.4	\$106	\$111
	Automatic Fire Detection/Alarm System – High	1859.78.4	\$106	\$111
	Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.78.4	\$297	\$310
	Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.78.4	\$199	\$208
	Over 50 Years Old – Elementary	1859.78.6	\$4,621	\$4,819
	Over 50 Years Old – Middle	1859.78.6	\$4,889	\$5,098
	Over 50 Years Old – High	1859.78.6	\$6,400	\$6,674
	Over 50 Years Old – Special Day Class – Severe	1859.78.6	\$14,730	\$15,360
	Over 50 Years Old – Special Day Class – Non-Severe	1859.78.6	\$9,850	\$10,272
	Over 50 Years Old – State Special School – Severe	1859.78.6	\$24,550	\$25,601

*New Construction Elementary, Middle, and High amounts shown are as of adjustment approved March 24, 2010

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ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

Grant Amount Adjustments

New Construction / Modernization / Joint-Use	Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-10	Current Grant Per Pupil Effective 1-1-11
Therapy/Multipurpose Room/Other (per square foot)	1859.72 1859.73.2 1859.82 1859.125 1859.125.1	\$142	\$148
Toilet Facilities (per square foot)	1859.72 1859.73.2 1859.82 1859.125 1859.125.1	\$257	\$268
New Construction Only			
Parking Spaces	1859.76	\$11,110	\$11,586
General Site Grant (per acre for additional acreage being acquired) ¹	1859.76	\$14,200	\$14,808
Project Assistance (for school district with less than 2,500 pupils)	1859.73.1	\$5,272	\$5,498
Modernization Only			
Two-stop Elevator	1859.83	\$88,871	\$92,675
Additional Stop	1859.83	\$15,995	\$16,680
Project Assistance (for school district with less than 2,500 pupils)	1859.78.2	\$2,810	\$2,930
Facility Hardship / Rehabilitation			
Current Replacement Cost - Other (per square foot)	1859.2	\$284	\$296
Current Replacement Cost - Toilets (per square foot)	1859.2	\$513	\$535
Interim Housing – Financial Hardship (per classroom)	1859.81	\$29,286	\$30,539
Charter School Facilities Program - Preliminary Apportionment Amounts			
Charter School Elementary	1859.163.1	\$8,283	\$8,638
Charter School Middle	1859.163.1	\$8,770	\$9,145
Charter School High	1859.163.1	\$11,454	\$11,944
Charter School Special Day Class - Severe	1859.163.1	\$26,394	\$27,524
Charter School Special Day Class - Non-Severe	1859.163.1	\$17,651	\$18,406

¹ Not applicable for projects received by OPSC on or after 1/1/11.

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ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

New School Adjustments (Regulation Section 1859.83)

Class-rooms in Project	Elementary School Adjusted Grant Effective 1-1-10	Elementary School Adjusted Grant Effective 1-1-11	Middle School Adjusted Grant Effective 1-1-10	Middle School Adjusted Grant Effective 1-1-11	High School Adjusted Grant Effective 1-1-10	High School Adjusted Grant Effective 1-1-11	Alternative Education New School Effective 1-1-10	Alternative Education New School Effective 1-1-11
1	\$236,992	\$247,135	\$998,333	\$1,041,062	\$2,171,445	\$2,264,383	\$643,880	\$671,438
2	\$558,415	\$582,315	\$1,119,791	\$1,167,718	\$2,258,839	\$2,355,517	\$781,187	\$814,622
3	\$838,361	\$874,243	\$1,244,212	\$1,297,464	\$2,792,074	\$2,911,575	\$1,365,612	\$1,424,060
4	\$1,062,025	\$1,107,480	\$1,380,483	\$1,439,568	\$3,266,057	\$3,405,844	\$1,536,380	\$1,602,137
5	\$1,247,173	\$1,300,552	\$1,522,678	\$1,587,849	\$3,596,367	\$3,750,292	\$1,707,149	\$1,780,215
6	\$1,512,313	\$1,577,040	\$1,666,357	\$1,737,677	\$3,926,675	\$4,094,737	\$1,877,918	\$1,958,293
7	\$1,780,410	\$1,856,612	\$1,810,033	\$1,887,502	\$4,256,983	\$4,439,182	\$2,048,684	\$2,136,368
8	\$1,986,297	\$2,071,311	\$1,967,043	\$2,051,232	\$4,511,751	\$4,704,854	\$2,227,983	\$2,323,341
9	\$1,986,297	\$2,071,311	\$2,132,935	\$2,224,225	\$4,716,155	\$4,918,006	\$2,413,149	\$2,516,432
10	\$2,335,860	\$2,435,835	\$2,300,312	\$2,398,765	\$4,919,084	\$5,129,621	\$2,598,314	\$2,709,522
11	\$2,335,860	\$2,435,835	\$2,467,688	\$2,573,305	\$5,123,487	\$5,342,772	\$3,316,848	\$3,458,809
12	\$2,458,800	\$2,564,037			\$5,310,121	\$5,537,394	\$3,502,012	\$3,651,898
13					\$5,493,788	\$5,728,922	\$3,687,179	\$3,844,990
14					\$5,677,459	\$5,920,454	\$3,872,345	\$4,038,081
15					\$5,862,612	\$6,113,532	\$4,057,509	\$4,231,170
16					\$6,046,278	\$6,305,059	\$4,242,675	\$4,424,261
17					\$6,231,431	\$6,498,136	\$4,427,840	\$4,617,352
18					\$6,415,100	\$6,689,666	\$4,613,006	\$4,810,443
19					\$6,598,769	\$6,881,196	\$4,798,171	\$5,003,533
20					\$6,783,918	\$7,074,270	\$4,983,336	\$5,196,623
21					\$6,967,591	\$7,265,804	\$5,168,635	\$5,389,853
22					\$7,151,259	\$7,457,333	\$5,353,801	\$5,582,944
23							\$5,538,967	\$5,776,035
24							\$5,724,132	\$5,969,125
25							\$5,909,295	\$6,162,213
26							\$6,094,465	\$6,355,308
27							\$6,279,629	\$6,548,397

Attachment B
State Allocation Board Meeting, January 26, 2011

2011 Construction Cost Indices Comparison Chart

Marshall and Swift 8 California Cities CCI		Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-10	Current Grant Per Pupil Effective 1-1-11		
Index change from 2010 to 2011	Increase 4.28%	Resulting Base Grants	Elementary	1859.71	\$8,738	\$9,112
			Middle	1859.71	\$9,241	\$9,637
			High	1859.71	\$11,757	\$12,260
			Special Day Class – Severe	1859.71.1	\$24,550	\$25,601
			Special Day Class – Non-Severe	1859.71.1	\$16,418	\$17,121

Lee Saylor Index CCI		Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-10	Current Grant Per Pupil Effective 1-1-11		
Index change from 2010 to 2011	Increase 1.14%	Resulting Base Grants	Elementary	1859.71	\$8,738	\$8,838
			Middle	1859.71	\$9,241	\$9,346
			High	1859.71	\$11,757	\$11,891
			Special Day Class – Severe	1859.71.1	\$24,550	\$24,830
			Special Day Class – Non-Severe	1859.71.1	\$16,418	\$16,605

Marshall and Swift 10 Western States CCI		Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-10	Current Grant Per Pupil Effective 1-1-11		
Index change from 2010 to 2011	Increase 3.06%	Resulting Base Grants	Elementary	1859.71	\$8,738	\$9,005
			Middle	1859.71	\$9,241	\$9,524
			High	1859.71	\$11,757	\$12,117
			Special Day Class – Severe	1859.71.1	\$24,550	\$25,301
			Special Day Class – Non-Severe	1859.71.1	\$16,418	\$16,920