

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 23, 2013

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 presents the State Allocation Board (Board) with the annual adjustment to the SFP grants based on the statewide cost index for Class B construction. Each year the Board adjusts the SFP grants to reflect construction cost changes. In January 2012, the Board adopted the Marshall & Swift (M&S) Eight California Cities index for 2012 and future years. This item presents the 2013 annual adjustment to SFP grants based on the M&S Eight California Cities index.

AUTHORITY

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

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

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

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

For the assistance on Small School Districts' new construction projects, SFP Regulations Section 1859.73.1 and Section 1859.78.2 both state 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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AUTHORITY (cont.)

Government Code Section 66452.6 states:

(a)(1) An approved or conditionally approved tentative map shall expire 24 months after its approval or conditional approval, or after any additional period of time as may be prescribed by local ordinance, not to exceed an additional 12 months. However, if the subdivider is required to expend two hundred thirty-six thousand seven hundred ninety dollars (\$236,790) or more to construct, improve, or finance the construction or improvement of public improvements outside the property boundaries of the tentative map, excluding improvements of public rights-of-way which abut the boundary of the property to be subdivided and which are reasonably related to the development of that property, each filing of a final map authorized by Section 66456.1 shall extend the expiration of the approved or conditionally approved tentative map by 36 months from the date of its expiration, as provided in this section, or the date of the previously filed final map, whichever is later. The extensions shall not extend the tentative map more than 10 years from its approval or conditional approval. . . .

(2) Commencing January 1, 2012, and each calendar year thereafter, the amount of two hundred thirty-six thousand seven hundred ninety dollars (\$236,790) shall be annually increased by operation of law according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the State Allocation Board at its January meeting. The effective date of each annual adjustment shall be March 1. The adjusted amount shall apply to tentative and vesting tentative maps whose applications were received after the effective date of the adjustment.

BACKGROUND

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

The Board has considered three indices in the past:

- M&S Eight California Cities
- M&S Ten Western States
- Lee Saylor Index (LSI)

The Board made the 2009, 2010, 2011, and 2012 adjustments according to the M&S Eight California Cities Index. At its January 2012 meeting, the Board expressed a preference for the M&S Eight California Cities index as the permanent index because it 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 Index most accurately reflects the conditions under which districts will be building their schools with the SFP. The LSI uses data from up to 20 U.S. cities nationwide, only two of which (San Francisco and Los Angeles) are in California. As its title suggests, the M&S Ten Western States uses data from 10 western states.

Pursuant to Government Code Section 66452.6(a)(2) as set forth above, the Board's CCI adjustment determination also changes the threshold amount of public improvement costs that triggers an extension of the expiration of tentative maps. The Board's January 2012 CCI increase of 3.76 percent raised this threshold sum to \$245,693 for the period of one year commencing March 1, 2012.

STAFF ANALYSIS/STATEMENTS

The M&S Eight California Cities CCI increased by 3.13 percent during the period of January 1, 2012 through December 31, 2012. The figures shown on the Attachment reflect the calculated increase for all SFP grants.

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STAFF ANALYSIS/STATEMENTS

As requested by the Board in January 2012, the following chart shows the CCI for all three indices considered previously by the Board for reference purposes: M&S Eight California Cities, M&S Ten Western States and LSI.

	Marshall and Swift 8 California Cities	Marshall and Swift 10 Western States	Lee Saylor Index
Percentage Change	3.13% Increase	2.69% Increase	1.17% Increase

	Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-12	Resulting Base Grants		
			Current Grant Per Pupil Effective 1-1-13	Current Grant Per Pupil Effective 1-1-13	Current Grant Per Pupil Effective 1-1-13
Elementary	1859.71	\$9,455	\$9,751	\$9,710	\$9,566
Middle	1859.71	\$9,999	\$10,312	\$10,268	\$10,116
High	1859.71	\$12,721	\$13,119	\$13,064	\$12,870
Special Day Class – Severe	1859.71.1	\$26,564	\$27,396	\$27,279	\$26,876
Special Day Class – Non-Severe	1859.71.1	\$17,765	\$18,321	\$18,243	\$17,974

In addition, the 3.13 percent CCI increase would raise the threshold amount for Government Code Section 66452.6(a)(2) from \$245,693 to \$253,383 for the period of one year commencing March 1, 2013.

RECOMMENDATION

Adopt the M&S Eight California Cities CCI adjustment for 2013 SFP grants.

ATTACHMENT

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS
 State Allocation Board Meeting, January 23, 2013

Grant Amount Adjustments

		Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-12	Current Grant Per Pupil Effective 1-1-13
New Construction	Elementary	1859.71	\$9,455	\$9,751
	Middle	1859.71	\$9,999	\$10,312
	High	1859.71	\$12,721	\$13,119
	Special Day Class – Severe	1859.71.1	\$26,564	\$27,396
	Special Day Class – Non-Severe	1859.71.1	\$17,765	\$18,321
	Automatic Fire Detection/Alarm System – Elementary	1859.71.2	\$11	\$11
	Automatic Fire Detection/Alarm System – Middle	1859.71.2	\$16	\$17
	Automatic Fire Detection/Alarm System – High	1859.71.2	\$25	\$26
	Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.71.2	\$49	\$51
	Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.71.2	\$33	\$34
	Automatic Sprinkler System – Elementary	1859.71.2	\$159	\$164
	Automatic Sprinkler System – Middle	1859.71.2	\$189	\$195
	Automatic Sprinkler System – High	1859.71.2	\$196	\$202
	Automatic Sprinkler System – Special Day Class – Severe	1859.71.2	\$502	\$518
	Automatic Sprinkler System – Special Day Class – Non-Severe	1859.71.2	\$336	\$347
Modernization	Elementary	1859.78	\$3,600	\$3,713
	Middle	1859.78	\$3,809	\$3,928
	High	1859.78	\$4,985	\$5,141
	Special Day Class - Severe	1859.78.3	\$11,470	\$11,829
	Special Day Class – Non-Severe	1859.78.3	\$7,674	\$7,914
	State Special School – Severe	1859.78	\$19,122	\$19,721
	Automatic Fire Detection/Alarm System – Elementary	1859.78.4	\$115	\$119
	Automatic Fire Detection/Alarm System – Middle	1859.78.4	\$115	\$119
	Automatic Fire Detection/Alarm System – High	1859.78.4	\$115	\$119
	Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.78.4	\$322	\$332
	Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.78.4	\$216	\$223
	Over 50 Years Old – Elementary	1859.78.6	\$5,000	\$5,157
	Over 50 Years Old – Middle	1859.78.6	\$5,290	\$5,456
	Over 50 Years Old – High	1859.78.6	\$6,925	\$7,142
	Over 50 Years Old – Special Day Class – Severe	1859.78.6	\$15,938	\$16,437
	Over 50 Years Old – Special Day Class – Non-Severe	1859.78.6	\$10,658	\$10,992
	Over 50 Years Old – State Special School – Severe	1859.78.6	\$26,564	\$27,396

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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 1-1-12	Current Grant Per Pupil Effective 1-1-13
Therapy/Multipurpose Room/Other (per square foot)	1859.72 1859.73.2 1859.77.3 1859.82 1859.125 1859.125.1	\$154	\$159
Toilet Facilities (per square foot)	1859.72 1859.73.2 1859.82 1859.125 1859.125.1	\$278	\$287
New Construction Only			
Parking Spaces	1859.76	\$12,022	\$12,399
General Site Grant (per acre for additional acreage being acquired)	1859.76	\$15,365	\$15,846
Project Assistance (for school district with less than 2,500 pupils)	1859.73.1	\$5,705	\$5,884
Modernization Only			
Two-stop Elevator	1859.83	\$96,160	\$99,172
Additional Stop	1859.83	\$17,307	\$17,849
Project Assistance (for school district with less than 2,500 pupils)	1859.78.2	\$3,040	\$3,135
Facility Hardship / Rehabilitation			
Current Replacement Cost - Other (per square foot)	1859.2	\$307	\$317
Current Replacement Cost - Toilets (per square foot)	1859.2	\$555	\$572
Interim Housing – Financial Hardship (per classroom)	1859.81	\$31,687	\$32,680
Charter School Facilities Program - Preliminary Apportionment Amounts			
Charter School Elementary	1859.163.1	\$8,963	\$9,244
Charter School Middle	1859.163.1	\$9,489	\$9,786
Charter School High	1859.163.1	\$12,393	\$12,781
Charter School Special Day Class - Severe	1859.163.1	\$28,559	\$29,454
Charter School Special Day Class - Non-Severe	1859.163.1	\$19,098	\$19,696

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ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

New School Adjustments (Regulation Section 1859.83)

Classrooms in Project	Elementary School Adjusted Grant	Elementary School Adjusted Grant	Middle School Adjusted Grant	Middle School Adjusted Grant	High School Adjusted Grant	High School Adjusted Grant	Alternative Education New School	Alternative Education New School
	Effective 1-1-12	Effective 1-1-13	Effective 1-1-12	Effective 1-1-13	Effective 1-1-12	Effective 1-1-13	Effective 1-1-12	Effective 1-1-13
1	\$256,427	\$264,460	\$1,080,206	\$1,114,044	\$2,349,524	\$2,423,123	\$696,684	\$718,508
2	\$604,210	\$623,137	\$1,211,624	\$1,249,578	\$2,444,084	\$2,520,645	\$845,252	\$871,730
3	\$907,115	\$935,530	\$1,346,249	\$1,388,420	\$3,021,050	\$3,115,685	\$1,477,605	\$1,523,891
4	\$1,149,121	\$1,185,117	\$1,493,696	\$1,540,486	\$3,533,904	\$3,644,604	\$1,662,377	\$1,714,451
5	\$1,349,453	\$1,391,725	\$1,647,552	\$1,699,162	\$3,891,303	\$4,013,198	\$1,847,151	\$1,905,013
6	\$1,636,337	\$1,687,595	\$1,803,014	\$1,859,494	\$4,248,699	\$4,381,790	\$2,031,925	\$2,095,575
7	\$1,926,421	\$1,986,766	\$1,958,472	\$2,019,821	\$4,606,095	\$4,750,381	\$2,216,695	\$2,286,133
8	\$2,149,192	\$2,216,516	\$2,128,358	\$2,195,029	\$4,881,757	\$5,034,679	\$2,410,699	\$2,486,214
9	\$2,149,192	\$2,216,516	\$2,307,856	\$2,380,150	\$5,102,923	\$5,262,773	\$2,611,050	\$2,692,841
10	\$2,527,422	\$2,606,594	\$2,488,959	\$2,566,926	\$5,322,495	\$5,489,223	\$2,811,400	\$2,899,467
11	\$2,527,422	\$2,606,594	\$2,670,061	\$2,753,701	\$5,543,660	\$5,717,316	\$3,588,860	\$3,701,281
12	\$2,660,445	\$2,743,784			\$5,745,600	\$5,925,581	\$3,789,209	\$3,907,906
13					\$5,944,329	\$6,130,536	\$3,989,562	\$4,114,535
14					\$6,143,063	\$6,335,495	\$4,189,913	\$4,321,162
15					\$6,343,401	\$6,542,109	\$4,390,262	\$4,527,787
16					\$6,542,129	\$6,747,062	\$4,590,613	\$4,734,414
17					\$6,742,466	\$6,953,674	\$4,790,964	\$4,941,041
18					\$6,941,197	\$7,158,631	\$4,991,316	\$5,147,669
19					\$7,139,929	\$7,363,588	\$5,191,666	\$5,354,295
20					\$7,340,263	\$7,570,197	\$5,392,016	\$5,560,921
21					\$7,538,998	\$7,775,158	\$5,592,511	\$5,767,697
22					\$7,737,729	\$7,980,114	\$5,792,863	\$5,974,325
23							\$5,993,214	\$6,180,952
24							\$6,193,564	\$6,387,578
25							\$6,393,912	\$6,594,202
26							\$6,594,268	\$6,800,834
27							\$6,794,617	\$7,007,459