

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 23, 2019

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 2016, the Board adopted the RS Means index for 2016 and future years. This item presents the 2019 annual adjustment to SFP grants based on the RS Means index.

AUTHORITY

See Attachment A.

STAFF ANALYSIS/STATEMENTS

At the January 2016 meeting, the Board adopted an increase to the SFP grants using the RS Means Construction Cost Index (CCI) as the statewide cost index for Class B construction.

The current rate of change between 2018 and 2019 for the RS Means Class B CCI is 5.45 percent. The chart below reflects the amounts previously adopted for 2018 compared to the potential amount for the new construction base grants.

			RS Means 5.45%
Grade Level	Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-18	<i>Potential Grant Per Pupil Effective 1-1-19</i>
Elementary	1859.71	\$11,567	\$12,197
Middle	1859.71	\$12,234	\$12,901
High	1859.71	\$15,567	\$16,415
Special Day Class – Severe	1859.71.1	\$32,503	\$34,274
Special Day Class – Non-Severe	1859.71.1	\$21,737	\$22,922

STAFF ANALYSIS/STATEMENTS (cont.)

The following chart shows the amounts previously adopted compared to the potential amount for the modernization base grants.

			RS Means 5.45%
Grade Level	Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-18	<i>Potential Grant Per Pupil Effective 1-1-19</i>
Elementary	1859.78	\$4,404	\$4,644
Middle	1859.78	\$4,658	\$4,912
High	1859.78	\$6,099	\$6,431
Special Day Class – Severe	1859.78.3	\$14,037	\$14,802
Special Day Class – Non-Severe	1859.78.3	\$9,391	\$9,903

In addition, the CCI adjustment would increase the threshold amount for Government Code Section 66452.6(a)(2) for the period of one year commencing March 1, 2019. The following chart shows the amount previously adopted for 2018 compared to the resulting threshold amount, upon approval of the proposed 2019 CCI adjustment:

	RS Means Effective 3-1-2018	RS Means Potential 3-1-2019
Resulting Amount	\$291,229	\$307,101

RECOMMENDATION

Adopt the increase of 5.45 percent for the 2019 SFP grants based on the RS Means Construction Cost Index as shown in Attachment B.

ATTACHMENT A - AUTHORITY

For the 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."

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."

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.

SFP Regulation 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 base Class B Construction Cost Index shall be 1.30 and the first adjustment shall be January, 1999.

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 (Revised 05/10) which shall be submitted with the Forms SAB 50-05 and 50-06 and as approved by the Board.

SFP Regulation Section 1859.2 Definitions states, "Class B Construction Cost Index" is a construction factor index for structures made of reinforced concrete or steel frames, concrete floors, and roofs, and accepted and used by the Board.

SFP Regulation 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."

ATTACHMENT B

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS
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Grant Amount Adjustments

		Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-18	Current Adjusted Grant Per Pupil Effective 1-1-19
New Construction	Elementary	1859.71	\$11,567	\$12,197
	Middle	1859.71	\$12,234	\$12,901
	High	1859.71	\$15,567	\$16,415
	Special Day Class – Severe	1859.71.1	\$32,503	\$34,274
	Special Day Class – Non-Severe	1859.71.1	\$21,737	\$22,922
	Automatic Fire Detection/Alarm System – Elementary	1859.71.2	\$14	\$15
	Automatic Fire Detection/Alarm System – Middle	1859.71.2	\$19	\$20
	Automatic Fire Detection/Alarm System – High	1859.71.2	\$31	\$33
	Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.71.2	\$58	\$61
	Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.71.2	\$41	\$43
	Automatic Sprinkler System – Elementary	1859.71.2	\$194	\$205
	Automatic Sprinkler System – Middle	1859.71.2	\$230	\$243
	Automatic Sprinkler System – High	1859.71.2	\$240	\$253
	Automatic Sprinkler System – Special Day Class – Severe	1859.71.2	\$613	\$646
	Automatic Sprinkler System – Special Day Class – Non-Severe	1859.71.2	\$411	\$433
	Modernization	Elementary	1859.78	\$4,404
Middle		1859.78	\$4,658	\$4,912
High		1859.78	\$6,099	\$6,431
Special Day Class - Severe		1859.78.3	\$14,037	\$14,802
Special Day Class – Non-Severe		1859.78.3	\$9,391	\$9,903
State Special School – Severe		1859.78	\$23,397	\$24,672
Automatic Fire Detection/Alarm System – Elementary		1859.78.4	\$143	\$151
Automatic Fire Detection/Alarm System – Middle		1859.78.4	\$143	\$151
Automatic Fire Detection/Alarm System – High		1859.78.4	\$143	\$151
Automatic Fire Detection/Alarm System – Special Day Class – Severe		1859.78.4	\$394	\$415
Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe		1859.78.4	\$264	\$278
Over 50 Years Old – Elementary		1859.78.6	\$6,119	\$6,452
Over 50 Years Old – Middle		1859.78.6	\$6,471	\$6,824
Over 50 Years Old – High		1859.78.6	\$8,471	\$8,933
Over 50 Years Old – Special Day Class – Severe		1859.78.6	\$19,502	\$20,565
Over 50 Years Old – Special Day Class – Non-Severe		1859.78.6	\$13,041	\$13,752
Over 50 Years Old – State Special School – Severe		1859.78.6	\$32,502	\$34,273

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Grant Amount Adjustments

New Construction / Modernization / Joint-Use	Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-18	Current Adjusted Grant Per Pupil Effective 1-1-19
Therapy/Multipurpose Room/Other (per square foot)	1859.72 1859.73.2 1859.77.3 1859.82 1859.125 1859.125.1	\$190	\$200
Toilet Facilities (per square foot)	1859.72 1859.73.2 1859.82 1859.125 1859.125.1	\$340	\$359
New Construction Only			
Parking Spaces	1859.76	\$14,709	\$15,511
General Site Grant (per acre for additional acreage being acquired)	1859.76	\$18,827	\$19,853
Project Assistance (for school district with less than 2,500 pupils)	1859.73.1	\$7,074	\$7,460
Modernization Only			
Two-stop Elevator	1859.83	\$117,667	\$124,080
Additional Stop	1859.83	\$21,181	\$22,335
Project Assistance (for school district with less than 2,500 pupils)	1859.78.2	\$3,772	\$3,978
Facility Hardship / Rehabilitation			
Current Replacement Cost - Other (per square foot)	1859.2	\$377	\$398
Current Replacement Cost - Toilets (per square foot)	1859.2	\$680	\$717
Interim Housing – Financial Hardship (per classroom)	1859.81	\$38,784	\$40,898
Charter School Facilities Program - Preliminary Apportionment Amounts			
Charter School Elementary	1859.163.1	\$11,626	\$12,260
Charter School Middle	1859.163.1	\$12,309	\$12,980
Charter School High	1859.163.1	\$15,622	\$16,473
Charter School Special Day Class - Severe	1859.163.1	\$32,658	\$34,438
Charter School Special Day Class - Non-Severe	1859.163.1	\$21,840	\$23,030
Charter School Two-stop Elevator	1859.163.5	\$98,056	\$103,400
Charter School Additional Stop	1859.163.5	\$17,650	\$18,612

ATTACHMENT B

January 23, 2019

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 1-1-18	Effective 1-1-19	Effective 1-1-18	Effective 1-1-19	Effective 1-1-18	Effective 1-1-19	Effective 1-1-18	Effective 1-1-19
1	\$313,782	\$330,883	\$1,321,805	\$1,393,843	\$2,875,024	\$3,031,713	\$852,505	\$898,967
2	\$739,348	\$779,642	\$1,482,619	\$1,563,422	\$2,990,731	\$3,153,726	\$1,034,302	\$1,090,671
3	\$1,110,003	\$1,170,498	\$1,647,355	\$1,737,136	\$3,696,741	\$3,898,213	\$1,808,089	\$1,906,630
4	\$1,406,135	\$1,482,769	\$1,827,778	\$1,927,392	\$4,324,304	\$4,559,979	\$2,034,188	\$2,145,051
5	\$1,651,277	\$1,741,272	\$2,016,048	\$2,125,923	\$4,761,637	\$5,021,146	\$2,260,287	\$2,383,473
6	\$2,002,318	\$2,111,444	\$2,206,278	\$2,326,520	\$5,198,971	\$5,482,315	\$2,486,386	\$2,621,894
7	\$2,357,285	\$2,485,757	\$2,396,508	\$2,527,118	\$5,636,304	\$5,943,483	\$2,712,486	\$2,860,316
8	\$2,629,883	\$2,773,212	\$2,604,389	\$2,746,328	\$5,973,619	\$6,299,181	\$2,949,881	\$3,110,650
9	\$2,629,883	\$2,773,212	\$2,824,036	\$2,977,946	\$6,244,256	\$6,584,568	\$3,195,043	\$3,369,173
10	\$3,092,710	\$3,261,263	\$3,045,643	\$3,211,631	\$6,512,931	\$6,867,886	\$3,440,204	\$3,627,695
11	\$3,092,710	\$3,261,263	\$3,267,252	\$3,445,317	\$6,783,569	\$7,153,274	\$4,391,551	\$4,630,891
12	\$3,255,485	\$3,432,909			\$7,030,671	\$7,413,843	\$4,636,713	\$4,889,414
13					\$7,273,853	\$7,670,278	\$4,881,875	\$5,147,937
14					\$7,517,033	\$7,926,711	\$5,127,036	\$5,406,459
15					\$7,762,175	\$8,185,214	\$5,372,198	\$5,664,983
16					\$8,005,356	\$8,441,648	\$5,617,359	\$5,923,505
17					\$8,250,498	\$8,700,150	\$5,862,521	\$6,182,028
18					\$8,493,679	\$8,956,585	\$6,107,682	\$6,440,551
19					\$8,736,860	\$9,213,019	\$6,352,844	\$6,699,074
20					\$8,982,002	\$9,471,521	\$6,598,006	\$6,957,597
21					\$9,225,183	\$9,727,955	\$6,843,345	\$7,216,307
22					\$9,468,363	\$9,984,389	\$7,088,506	\$7,474,830
23							\$7,333,668	\$7,733,353
24							\$7,578,829	\$7,991,875
25							\$7,823,991	\$8,250,399
26							\$8,069,153	\$8,508,922
27							\$8,314,314	\$8,767,444