January 2006

REGISTER

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The Newsletter of the Coalition for Adequate School Housing

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Corona New Primary School

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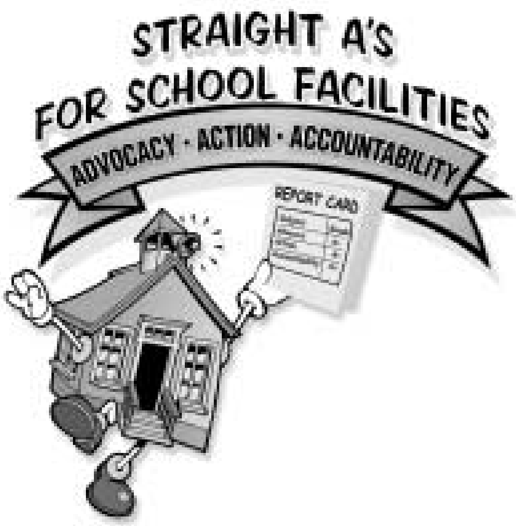

February 20-23, 2006
Sacramento Convention Center
and Hyatt Regency Hotel

Message From The Chair

Governor Says: "Build It!"

Pamela T. Johnson, C.A.S.H. Chair

State of the State Includes School Facilities in Effort to Improve California's Aging Infrastructure

On January 5, 2005, Governor Arnold Schwarzenegger began his State of the State address by acknowledging the lack of public support that his initiatives received this past November, when he said, "What a difference a year makes – a year ago USC and I were #1 – what happened?" The Governor further acknowledged that, "I have absorbed my defeat and I have learned my lesson. And the people, who always have the last word, sent a clear message – cut the warfare, cool the rhetoric, find common ground and fix the problems together. So to my fellow California, I say – message received."

The cornerstone of the Governor's effort to "find common ground and fix the problems together" is a proposal to address California's aging infrastructure. Evoking the images of past California Governors Earl Warren, Goodwin Knight, Pat Brown and Ronald Reagan, the Governor proposed a significant investment in California's infrastructure over the next ten years. Specifically, the Governor proposed a statewide general obligation bond or series of bonds intended to make significant amounts of funding available to invest in California's infrastructure for transportation, air quality, K-12 education, higher education, water and flood control, public safety and the courts.

C.A.S.H. members will be pleased to learn that California's school facility needs are part of the Governor's proposal to improve California's infrastructure. Recognizing the need to build new classrooms and renovate many existing classrooms, the Governor proposes to invest $26.3 billion over the next ten years through a series of general obligation bonds to fund 2,000 small schools, 40,000 new classrooms and 140,000 modernizations. Under this proposal, a $7 billion bond would be placed before the voters in 2006, and subsequent bonds would come before voters every two years beginning in 2008 and ending in 2014.

On January 25, the Senate and Assembly Education Committees held hearings to provide an overview of the Governor's proposal. C.A.S.H. staff and representatives of the C.A.S.H. Board were present at both hearings to communicate C.A.S.H.'s priorities, emphasizing in particular the issue of SFP grant inadequacy. When the Education Committees have completed their review, a Joint Legislative Conference Committee on School Facilities will be convened to iron out the differences between the various proposals. Although a schedule has not yet been announced, the following members have been appointed to the Conference Committee: Assemblywoman Judy Chu (D-Monterey Park), Assemblyman Rick Keene (R-Chico), Assemblyman John Laird (D-Santa Cruz), Senator Wesley Chesbro (D-Arcata), Senator Dennis Hollingsworth (R-Murrieta), and Senator Kevin Murray (D-Los Angeles).

Throughout this process, C.A.S.H. will continue to work with the Governor and the Legislature to ensure that

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CASH REGISTER

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The CASH Register is published eleven times a year (January through November) by the Coalition for Adequate School Housing (C.A.S.H.) and distributed to C.A.S.H. members. Over 1,000 rapidly growing school districts, county offices of education, architects, attorneys, bond counsel, financial institutions, developers, contractors, consultants, inspectors, licensed professionals, manufacturers of portable classrooms, maintenance suppliers and others who are concerned about school construction issues hold C.A.S.H. memberships.

The CASH Register solicits articles on school facility-related topics from the membership. If you are interested in submitting an article, please send it or a letter of inquiry to: Editor, CASH Register editorial office, 1130 K Street - Suite 210, Sacramento, CA 95814. Sorry, we are unable to return or acknowledge unpublished manuscripts. The views expressed herein are those of the authors and not necessarily those of the Coalition for Adequate School Housing, its board, staff or general membership.

Summary of Governor's School Facilities State Bond Proposal

As part of his proposal to invest in California's infrastructure, the Governor has proposed a series of statewide school facility bonds over multiple years to address California's continuing school facilities needs.

The proposal for K-12 and higher education totals $38 billion over ten years, with differing amounts in each bond cycle. The first two bond bills are outlined below for 2006 and 2008. They would be stand alone bonds, not part of a statewide infrastructure bond.

Under this proposal, K-12 would receive $26.3 billion over ten years and higher education would receive $11.7 billion over ten years. The Governor estimates the infrastructure need of K-12 and higher education would be met through the 2016-2017 fiscal year.

SB 1164 (Runner) and AB 1836 (Daucher) are the legislative vehicles for this proposal. The Senate and Assembly Education Committees held their first hearings to review this proposal on Wednesday January 25, 2006.

K-12		***2006***	***2008***	***10-Year Total***
New Construction		$1.7 billion	$3 billion	$9.4 billion
Modernization		$3.3 billion	$1.2 billion	$12.1 billion
Charter Schools		$1 billion	-	$2.4 billion
Career-Technical Education		$1 billion	-	$2.4 billion
Small Schools		$500 million *From New Construction or Modernization*	$420 million *From New Construction or Modernization*	$2.15 billion *From New Construction or Modernization*
Total K-12		**$7 billion**	**$4.2 billion**	**$26.3 billion**
Higher Education				
Community Colleges		-	-	-
CSU/UC		-	-	-
Total Higher Education		**$5.4 billion**	***Not yet detailed***	**$11.7 billion**
Total K- Higher Education	**$9.387 billion**	**$12.4 billion**	***Not yet detailed***	**$38 billion**

What is the Forecast for 2006?

KEY MATERIALS & SUB CONTRACTOR IN-PLACE COSTS

By Mary Wallers

Following is a reprint of an article that appeared in the December 2005 edition of the Sierra West Group newsletter.

The LSI Index 12/31/05 shows a rather modest increase in material costs of 6.7% since January 1, 2005. And, the steady escalation in the Sub-Contractor Index or "in-place" building costs (9.3% since January 1, 2005) are primarily shown in California. (Building indexes furnish a yardstick for measuring the historical fluctuations in construction costs, not a "glass ball" to tell us the future).

The Index for December 2005 showed a 6.7% increase in materials, a 4.2% increase in labor and a 9.3% increase in subcontractor-in-place costs for 2005.

Materials and labor have traditionally had a parallel relationship in escalation, however, in the past five years, materials and subcontractor-in-place costs have shown more divergent trends, with In-Place costs rising steeply in 2004-05 creating a widening gap.

The subcontractor-in-place costs are rising faster than the costs for the 21 basic in-place materials. These costs reflect many mandated changes which have been put in place by governmental agencies, both regulatory and legislative. These changes in turn are forcing additional increases to the "cost of doing business" for the subcontractor-in-place costs.

Steel

Steel is one of the key materials that, when it increased, it will impact almost every division in construction, from the foundation with rebar to the electrical conduit. China is not the main factor this year for increased costs. The primary culprits are higher production costs (energy), and the demand is up.

Steel is a big question. Some reports have a surplus, but others have a shortage.

"AK Steel has announced $215 per ton surcharge for all January 2006 shipments. AK Steel also advised its electrical steel customers that a $255 per ton surcharge will be added to invoices for shipments in January 2006. The surcharges are based prices of energy used to manufacture the products."

– Dayton Business Journal
Dec 15, 2005

Two-thousand and five saw a reprieve from the uncertainty and the high prices of last year, but, with Katrina, the prices again increased as the demand for reconstruction was immediate.

Electrical steel is also taking a $255/ per ton hit, and there will be some longer lead times and higher prices on special fabricated and manufactured equipment and anything made of alloy steels.

Galvanized products are taking a jump because of energy costs related to production (up about 5%), which will impact the mechanical trade.

Rebar

Rebar prices fell slightly, but the cost of steel has remained at the same level since the first of the year. China is now manufacturing its own rebar and is not importing it.

(The LSI Index shows an increase of 14.9% in structural steel costs in the past 12 months, and an 11% increase since the September 2005. Rebar seems to be stabilized at a 2% increase in the past year. The in-place costs have increased only 3% for structural steel in the past 12 months; copper has increased 18.8% in the past twelve months with 15.8% increase since September 2005.)

Concrete

The US imports 28% of our concrete from overseas. There is no substantial slow down in demand projected for 2006, therefore some shortages are still anticipated.

"The price of cement and concrete is expected to jump 10 -15% in 2006 with the number of spot shortages growing. The price of both products (cement and concrete) rose 10-12% from September 2004 – September 2005. Spot shortages were reported in 32 states. U.S. cement production, meanwhile, increased 2%, but consumption went up 7% making the U.S. increasingly dependent on imports," according to Associated General Contractors.

– Hotel Business Report,
December 28, 2005.

(The LSI Index shows concrete readymix is up 4% from a year ago and down -.3% since September 2005. Portland cement has increased 4.6% in the past twelve months and .4% since September 2005; concrete block has increased only 6% since January.)

Oil

Site and civil work will experience the most direct cost impact of the increased costs of gas and oil. The producer price index for diesel fuel jumped 59% from October 2004 to October 2005. This will impact all work related to moving dirt and underground piping, both PVC and steel.

Another issue which will increase costs for civil contractors is the tightening of the Clean Air Act, i.e. SWPP, and the equipment retrofitting to monitor diesel emissions.

The cost of underground piping and other materials made from gas derivatives are increasing up to 35%.

Roofing materials are also showing increases. Roofing and waterproofing materials will increase as the escalating oil prices increase.

(LSI Index shows liquid paving asphalt has increased 11.8% in the past twelve months and 6.7% since September, 2005; PVC pipe has increased 19.5% in the past year and 12.9% since September, 2005 and asphalt felt has increased 14.6% in the past 12 months.)

Lumber

The lumber industry is predicting a slight cooling of the [lumber] market in 2006 of 2%. Approximately 38% of the lumber used in the U.S. is imported from Canada, as reported by the Western Wood Products Association, December 15, 2005.

The housing sector will also continue to cause some increases in pricing of materials such as plywood and framing lumber in 2006.

(The LSI Index shows dimensional lumber is up .3% from a year ago and up 1% since September 2005. Plywood has increased 1.5% in the past twelve months and 2.4% since September 2005)

Gypsum Wallboard

Through 2005, gypsum wallboard material costs were up 8.8% from 12 months ago and in-place costs were up 7.9% from 12 months ago.

It is predicted at its current pace of escalation, gypsum wallboard will nearly double in cost by 2008.

Flooring

Almost 100% of the materials in carpeting and vinyl are manufactured from components high in petrochemicals. Expect manufacturing increases in vinyl tile products, carpets and rubber base in 2006.

Insulation

"Insulation supply is pressured as demand increases [caused by] a combination of unmatched demand for new construction material, limited supply and upward price pressures. Prices have increased due to skyrocketing energy costs and strong demand. Upward price pressures face all elements of the value chain (i.e. manufacturers, dealers and contractors)[which are] particularly due to the spike in energy costs…"

– Insulation Contractors Association of America.

Construction inflation is the hot topic for both public and private owners on the West Coast and construction appears to be progressing on course for another expansive year.

In California, the construction industry is moving on with little impact from the hurricanes of 2005. The disruption in the Gulf region was not big enough nor long enough to have a major impact on costs.

"In October, construction spending totaled a record $1.13 trillion at a seasonally adjusted rate. The total for the first 10 months of 2005 was 8% higher than in the same period of 2004….The big worry for '06 is materials prices. The producer price index for inputs to nonresidential buildings climbed 8% from October '04 to October '05, while the index for highway construction jumped 16%."

– Ken Simonson, Chief Economist, AGC of America.

We are forecasting a modest growth of about 4% to 5% inflation in construction costs, barring any catastrophic occurrences this year.

Construction in California in 2006 is projected to:

- drop about 11% in public building construction (schools, community colleges, etc);
- slightly decrease in residential, with an equal increase in private non-residential construction (offices, medical, etc);
- increase roughly 26% in heavy construction (i.e. infrastructure construction)
- all of which translates to an overall decrease of 1.5% in the volume of construction in California for 2006 from 2005.

– California Industry Research Board, Nov 21, 2005).

"Forecasting inflation for next year is more dicey than usual. The housing market is teetering at record levels and many economists predict it will stumble from this peak in 2006. In addition, the consensus among economists is that the rebuilding effort along the Gulf Coast will unfold slowly, that energy markets will gradually come back into equilibrium and that the Chinese economic juggernaut will pause, easing global demand for materials. These are major turning points, at which predictions become most precarious."

– Tim Grogan, Engineering News Record

Construction products and materials have seen another year of increases and will do so again this year, primarily because of the increased costs of transportation and production i.e. electricity and natural gas in the production of the materials and gas/diesel in the transportation of the materials. We still anticipate a tight market primarily in steel and cement and escalation in oil related products.

"As the year comes to a close, contractors are seeing across-the-board materials cost escalation. Last year's explosion in steel prices has been matched this year by price hikes for diesel fuel, wallboard, PVC and copper products. But an anticipated slowdown in the housing market combined with increased imports indicate the big escalations may be at a peak."

– Tim Grogan, Engineering News Record

Trucking rates increased and fuel surcharges will continue to be added to

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C.A.S.H. 27th Annual Conference on School Facilities

February 20-23, 2006

Sacramento Convention Center/Hyatt Regency Hotel

CONFERENCE REGISTRATION FORM

NAME: ______________________________ TITLE: ______________________________
(As you want it to appear on your name badge) Note: For additional registrations, please copy this form.

DISTRICT/COMPANY: ______________________________
(As you want it to appear on your name badge)

ADDRESS: ______________________________

CITY: ______________________________ STATE: __________ ZIP: ______________

PHONE: ________________ FAX: ________________ EMAIL: ________________

EMERGENCY CONTACT: ________________ EMERGENCY PHONE #: ________________

Conference Registration Fees

C.A.S.H. Member Fees:

Full Conference:

School District or County Office of Education Member $788
Associate Member $946

One Day Conference:

School District or County Office of Education Member $419
Associate Member $578

Non-Member Fees:

Full Conference:

School District or County Office of Education Non-Member $898
Associate Non-Member $1,071

One Day Conference:

School District or County Office of Education Non-Member $534
Associate Non-Member $708

Registration Fee $ __________

School Tour Fee ($75) $ __________

Total $ __________

One day attendees, please indicate which day you will attend:

____

❒ Check here if this is your first time attending
❒ Check here if you request vegetarian meals
* C.A.S.H. Membership is by school district, county office, or company; not by individual. Any employee of a member school district, county office or company may attend at the member rate.

Cancellation Policy

- On or Before January 27 .... Full Refund
- Between January 28 - February 3 .... $100 Fee
- After February 3 .... No Refund

Cancellations must be written and faxed to (916) 448-7495 or mailed to C.A.S.H. Annual Conference Cancellations, 1130 K Street, Suite 210, Sacramento, CA 95814. You may also email your cancellation to ltaber@m-w-h.com.

Purchase Order # ________________ Check # ________________ ❒ Visa ❒ MasterCard ❒ American Express

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Please mail or fax registration and payment (check, Visa, MasterCard, American Express or purchase orders acceptable) **to:** C.A.S.H. 27th Annual Conference, 1130 K Street, Suite 210, Sacramento, CA 95814. Fax: (916) 448-7495

Questions? Call the C.A.S.H. office at (916) 448-8577.

register online at: cashnet.org

A Message from the Conference Chair

Ted E. Rozzi, C.A.S.H. Vice Chair
Assistant Superintendent, Facilities - Corona-Norco Unified School District

On behalf of the C.A.S.H. Board of Directors, I look forward to the 27th Annual Conference of the Coalition for Adequate School Housing, "Straight A's for School Facilities".

For the past year, the Annual Conference Planning Committee has worked tirelessly to create a conference that offers workshops, roundtables, clinics and activities that address the current challenges facing California's school districts. The strength of the C.A.S.H. organization is reflected in our annual conference when over 1,500 representatives of school districts, private businesses, and state agencies gather to exchange information, present ideas and build relationships as we collectively advocate for the most educationally sound school facilities possible to serve California's public school children.

This year's conference includes expanded services in the State Agency Resource Room as we continue to develop our great relationships with the Office of Public School Construction, the California Department of Education - School Facilities Planning Division, the Department of Toxic Substances Control, the Division of the State Architect, and the California Energy Commission. We again offer additional hours for our Trade Show, an exciting school tour of Cesar Chavez High School, the ever popular C.A.S.H. golf tournament and additional activities for our expanding Maintenance Network.

Our educational strands include Fiscal Management, High Performance, Planning, Maintenance and Operations, School Architecture and School Construction. It is our hope that attendees gather new information and insight in school facility issues and solutions, and continue professional development growth through new friendships.

I would like to thank the Annual Conference Planning Committee for their hard work and creativity, the C.A.S.H. staff for their patience and support, and you as an attendee for your participation in the C.A.S.H. organization.

On behalf of the C.A.S.H. organization, the Board of Directors, the Annual Conference Planning Committee, and the C.A.S.H. staff, we hope you enjoy your time in Sacramento and have a great conference.

For more information about the C.A.S.H. Annual Conference or to register, please visit the C.A.S.H. website at www.cashnet.org

What is the Forecast for 2006

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deliveries. Contractors and suppliers are turning to rail cars, increasing the unpredictable delivery in shipments and lead times.

The costs of all oil related products will be increasing and, with the increased energy costs, all products which require electric or gas heat to manufacture or produce are having increased expenses and will pass them on. In addition, natural gas has increased +30% in the past year.

"…on top of a spike in transportation costs for construction product delivery, there has been an inflationary effect on building materials with high petroleum content like PVC piping and asphalt shingles…"

– Chief Economist Kermit Baker, Ph.D., Hon. AIA

In summary, while the bid climate today is substantially the same as it was a year ago, it still has problems associated with inflation.

Everything associated with gas, oil and their derivatives will be impacted by the rising cost of oil, including delivery of materials and material costs.

"The biggest worry (for contractors) is still material costs, plus widespread tight supplies of cement. The manufacturers' purchasing managers who responded to today's ISM survey noted price increases for diesel fuel and freight, copper and some types of steel, all of which are important to contractors as well as manufacturers. Cement and gypsum also have risen sharply in price in recent months."

– Ken Simonson of AGC.

With factors such as increased fuel costs, rising interest rates, continuing power shortages and static demand, the inflation forecast for construction remains positive but with clear signs to "proceed with caution" in the coming year.

– Mary Wallers is with Sierra West Group, LLC in Sacramento.

C.A.S.H. Leadership Addresses Assembly Education Committee

On Wednesday, January 25, 2006 key legislative policy committees met to discuss funding and programmatic issues salient to the Governor's Education Bond Proposal. The Senate Education Committee, Chaired by Senator Jack Scott, met early in the morning and dealt specifically with K-14 funding and policy issues. The Assembly Education Committee, which met later in the day and before the State Allocation Board meeting, also discussed K-12 issues and did so in greater depth than its counterpart in the Senate.

Chaired by Assembly Member Jackie Goldberg, the Assembly Education Committee specifically addressed the issues below and put forth the following questions:

- **Grant Adequacy**: Does the committee wish to recommend the base per-pupil grant amounts be adjusted?
- **Grant Adjustments per inflation as determined by the Construction Cost Index**: Should the committee recommend changes to the way the per-pupil grant amounts for new construction and modernization are indexed to adjust for inflation?
- **Overcrowded Schools**
  - o Should a school facilities bond address overcrowded schools? If yes, how should the state define "overcrowding?" Is the portable classroom exclusion the approach that should be taken?
  - o Should the operational grants program be phased out over time and should school construction funding eligibility for districts that currently receive operational grants be restored?
  - o Should the Substantial Enrollment Requirement (SER) adjustment be eliminated for districts in MTYRE?
  - o Should the provisions of AB 491 (relating to alternative enrollment projection methods) apply to future bonds?
  - o Should the COS program be extended in order to provide additional time for school districts with overcrowded schools to meet project funding requirements?
- **Developer Fees**
  - o Should the committee consider recommending changes to the provisions of statute that authorize local agencies to consider the adequacy of school facilities when approving development projects in the event that a statewide school facilities bond fails to be approved?
  - o Should the committee recommend a change to existing law that requires school districts to consider sources of revenue other than fees when preparing a needs analysis?

At the request of Assembly Member Goldberg C.A.S.H. offered testimony to the committee, namely on the topic of grant adequacy but provided empirical insight into other issues school districts face at local and state levels.

At the request of Assembly Member Goldberg C.A.S.H. offered testimony to the committee, namely on the topic of grant adequacy but provided empirical insight into other issues school districts face at local and state levels that impede their ability to build and modernize school facilities cost- and time-efficiently and, in the worst case, inadequately to achieve their educational programs.

On behalf of C.A.S.H. and representing their districts, C.A.S.H. Chair Pamela Johnson (Montebello USD), Vice-Chair Ted Rozzi (Corona-Norco USD), and Past Chair Dave Doomey (Capistrano USD) addressed the committee. First to speak was Pamela Johnson, who gave a brief overview of C.A.S.H.'s work in studying and analyzing the conversion of the state apportionments under the Lease-Purchase Program and the School Facility Program. Moreover, Pamela shared her experience as a seasoned practitioner with the Montebello USD and the recent difficulties the district has faced in the current construction climate. She told Assembly Member Goldberg and the other legislative members that Montebello USD has several projects eligible under the COS program, but that they fear there will not be sufficient funds for those projects when they are perfected.

Ted Rozzi then addressed the committee and offered testimony on the challenge of building schools within the state grant amounts in the current

Continued on page 10

LSI COST INDEXES

MATERIAL/LABOR AND SUBCONTRACT PRICES

Date: 12/31/2005

MATERIALS/LABOR INDEX

Materials Cost Index (23 Selected Materials)	Unit	12/31/2004 Cost	12/31/2005 Cost	% Change From Year End	% Change From Last Month	% Change For Last 3 Months	% Change From Last Year
Aluminum Sheet, H14, 36" x 96"	Cwt	153.47	161.54	5.3	0.4	0.9	5.3
Asphalt Felt, 15#	Cwt	16.75	19.19	14.6	0.0	0.0	14.6
Block, Concrete, 8" x 8" x 16", Lightweight	Each	1.31	1.39	6.1	0.0	0.7	6.1
Brick, Standard Modular	M	337.06	344.68	2.3	0.2	0.5	2.3
Cement, Portland	Ton	85.73	89.71	4.6	0.1	0.4	4.6
Concrete Readymix, 3000 PSI	CY	79.08	82.28	4.0	0.3	-0.3	4.0
Copper Tubing, 1/2" Diameter, Type 'L'	MLF	1093.13	1298.75	18.8	4.2	15.8	18.8
Glass, 1/4" Float	SF	4.82	4.90	1.7	0.0	1.0	1.7
GWB, 5/8"	MSF	247.39	269.12	8.8	2.1	2.7	8.8
Insulation, Mineral Wool Batts, 3"	MSF	250.15	273.25	9.2	0.0	1.2	9.2
Insulation, Rigid Fiberboard, 1/2"	MSF	279.50	298.41	6.8	0.0	0.5	6.8
Lath, Metal, 3.4#, Galvinized	CSY	197.88	204.57	3.4	0.3	0.4	3.4
Lumber, 2" x 4", 2" x 6"	MBF	482.89	484.32	0.3	0.0	1.0	0.3
Masons Lime	Ton	193.95	200.40	3.3	0.6	0.8	3.3
Paving, Asphalt, Tank Car	Ton	177.83	198.75	11.8	0.6	6.7	11.8
Pipe, PVC, Water, 8" Diameter, CI 150	LF	6.88	8.22	19.5	2.4	12.9	19.5
Pipe, Reinforced Concrete, 24" Diameter	LF	21.78	23.01	5.6	0.0	0.7	5.6
Plywood, 5/8", C-D, Interior	MBF	626.89	636.29	1.5	1.4	2.4	1.5
Steel Sheets, Stainless, 20 Gauge	Cwt	145.49	157.77	8.4	4.8	2.5	8.4
Steel, Reinforcing (Mill)	Cwt	34.50	35.19	2.0	0.2	2.6	2.0
Steel, Structural (Mill)	Cwt	31.85	36.58	14.9	2.9	11.0	14.9
Tar Pitch, #21	Ton	611.10	615.11	0.7	0.0	1.8	0.7
Titanium Pigment	Cwt	118.25	118.97	0.6	0.0	0.4	0.6
Total Average Material Increase (%)				6.7	0.9	2.9	6.7
Labor Costs Index (9 Selected Trades)							
Carpenters	$/Hour	39.91	41.87	4.9	0.0	0.0	4.9
Bricklayers	$/Hour	40.63	42.14	3.7	0.0	0.0	3.7
Iron workers	$/Hour	43.90	45.70	4.1	0.0	0.0	4.1
Laborers	$/Hour	32.14	33.44	4.0	0.0	0.0	4.0
Operating Engineers (Average)	$/Hour	41.87	43.55	4.0	0.0	0.0	4.0
Plasterers	$/Hour	37.39	38.83	3.8	0.0	0.0	3.8
Plumbers	$/Hour	44.95	46.95	4.5	0.0	0.0	4.5
Electricians	$/Hour	47.91	49.14	2.6	0.0	0.0	2.6
Teamsters	$/Hour	34.47	36.62	6.3	0.0	0.0	6.3
Total Average Wage Increase (%)		40.35	42.03	4.2	0.0	0.0	4.2

SUBCONTRACT COSTS INDEX (21 Basic In-Place Materials)	Minimum Quantity	Unit	12/31/2004 Cost	12/31/2005 Cost	% Change From Year End	% Change From Last Month	% Change For Last 3 Months	% Change From Last Year
Acoustic Tile, 2'x 4' Grid, 3/8" Board	250,000 & up	SF	2.50	2.75	10.0	1.9	1.9	10.0
Brick Veneer, Common, Commercial	20,000 & up	SF	11.50	13.40	16.5	1.1	2.7	16.5
Ceramic Tile, 4" x 4", Grout Set	2,000 & up	SF	9.50	10.80	13.7	0.5	0.9	13.7
Copper Tubing, 1/2" Diameter, Type 'L', Runs	10,000 & up	LF	7.00	7.85	12.1	0.0	1.3	12.1
Ductwork, Galvanized Iron	5,000 & up	#	7.80	8.20	5.1	0.6	1.2	5.1
Flooring, Terrazzo, Standard	5,000 & up	SF	12.00	13.75	14.6	0.0	1.9	14.6
Glass, Float, 1/4"	1,000 & up	SF	9.50	9.95	4.7	0.0	0.0	4.7
Glu-lam Beams	40 & up	MBF	2250.00	2850.00	26.7	1.8	5.6	26.7
GWB, 5/8", T & S, Institutional	20,000 & up	SF	1.90	2.05	7.9	0.0	0.0	7.9
Insulation, 1-1/2", Rigid	20,000 & up	SF	1.45	1.55	6.9	3.3	3.3	6.9
Metal Roof Deck, 1-1/2", 20 Gauge, Painted	10,000 & up	SF	2.52	2.65	5.2	1.9	1.9	5.2
Paint, Interior, 3 Coats On GWB	1,000 & up	SF	0.70	0.70	0.0	0.0	0.0	0.0
Piles, Concrete, 12", Precast	2,000 & up	LF	43.50	47.00	8.0	2.2	3.9	8.0
Plywood Deck, 5/8", C-D, Machine T & G	10,000 & up	SF	2.25	2.50	11.1	0.0	4.2	11.1
Roofing, 20 Year Built-Up	10,000 & up	SF	2.55	2.92	14.5	0.0	0.7	14.5
Steel, Reinforcing	50,000 & up	#	1.00	1.00	0.0	0.0	0.0	0.0
Steel, Structural	200,000 & up	#	1.60	1.65	3.1	0.0	3.1	3.1
Stucco, Exterior, Tract Quality	2,000 & up	SY	33.50	37.50	11.9	1.4	4.2	11.9
Vinyl Composition Tile, 1/8"	10,000 & up	SF	2.90	2.90	0.0	0.0	0.0	0.0
Wire, #12 TW, Pulled In Conduit	10,000 & up	LF	0.88	0.96	9.1	1.1	1.1	9.1
Wood Studs	10,000 & up	BF	2.90	3.30	13.8	0.0	0.0	13.8
Total Average Increase (%)	c				9.3	0.7	1.8	9.3

LSI CONTINUING INDEXES (1967 = 100)				From Last Mon	For Last 3 Months	From Last Year
MATERIAL/LABOR INDEX (54% Labor, 46% Material)						
All Building Construction	**685.65**	**724.88**	5.4	0.4	1.3	**5.4**
Concrete Construction Only			5.3	0.4	1.2	**5.3**
Steel Construction Only			5.8	0.4	1.5	**5.8**
Wood Frame Construction Only			5.3	0.4	1.2	**5.3**
SUBCONTRACT INDEX (Non-Weighted)	**743.18**	**811.81**	9.3	0.7	1.8	**9.3**

C.A.S.H. Leadership Addresses Assembly Education Committee

Continued from page 8

construction market. He told the members that the Corona-Norco USD consistently re-uses facilities designs, not just because it makes sense, but because of the reduced time and costs that it yields. He reported that for the same footprint built a year apart, the district spent over $1 million more on the later project. Additionally, Ted stated, the district has used in recent years modular facilities to help reduce the costs, as well as maximize the district's state grants by building larger schools in order to be able to afford to build ancillary facilities such as gymnasiums, multipurpose rooms and libraries.

Dave Doomey reiterated Ted's claim that the re-use of plans as a cost-savings tool has been ineffective given the inadequacy of the state grants, exacerbated by the high bid environment. He testified that the Capistrano USD recently had a project cost estimate of $38 million, which was revised to $40 million to accommodate the increased costs of labor and materials, but that the bids ultimately came in at $68 million. Sitting in the Capitol hearing room the gasps at Dave's last comment were clearly audible.

Tom Duffy summarized the testimonies of Pamela, Ted, and Dave by underscoring the task that C.A.S.H. began in 2000 and continues today, which is not only analyzing the state grants and the equitable conversion from the Lease-Purchase Program to the School Facility Program, but studying the adequacy of the grants in order to build a school in California today that is a safe and conducive learning environment capable of achieving the educational objectives of each district.

The impression made in the minds of the Assembly Education Committee members by the testimony of Pamela, Ted, Dave, and Tom on behalf of C.A.S.H. is clear. The discussion of the inadequacy of the grants, one that C.A.S.H. has been working to foster among legislative members for over half a decade, is finally happening.

Message From The Chair

Continued from page 2

our funding and programmatic priorities are included in the final version of the school bond. As outlined in last month's *Message from the Chair*, C.A.S.H.'s school bond priorities are the following: sufficient SFP grant levels, an accurate SFP eligibility methodology, sufficient funding for Modernization, supplemental funding to address ADA requirements and seismic safety structural reviews and retrofits, a program to address severe overcrowding, supplemental funding for career-technical programs, and funding for charter school facilities.

In light of the Governor and the Legislature's focus on improving California's aging infrastructure in general, and their proposals to address California's continuing school facilities needs in particular, 2006 should prove to be an exciting and productive year for the school facilities community – and California's current and future school children.

Profile Your Work in an Upcoming Issue of the CASH Register

In every issue of the *CASH Register*, we feature a "school profile" – an article and photos of a school recently built or modernized by C.A.S.H. member firms. The text and photos for the profile are contributed by the member architect and/or construction manager responsible for the project.

The *CASH Register* is currently accepting school profiles for 2006/2007.

To submit your school profile for publication, please complete the enclosed application and return it with the following materials to: *CASH Register* Editorial Office, 1130 K Street, Suite 210, Sacramento, CA 95814 or E-mail: sfife@m-w-h.com

***CASH Register* School Profile Policy**

- Profiles should be between 1 and 1-1/2 pages of typed text (approximately 500 words). The profile article must focus on the design and/or construction of the profiled school and cannot be a promotional piece about a specific company or product.
- Profiles should include 3-4 black-and-white photos. Photos may be sent electronically to sfife@m-w-h.com. Electronic photos should be grayscale, .jpg files with an actual-size resolution of 300dpi.
- Profiles are featured in the *CASH Register* in the order they are received.

The *CASH Register* school profile feature is a cost-free way to showcase your company's work to the school facilities industry in California. The *CASH Register* is published 11 times a year (January through November) and has a monthly readership of 2,000, including member school district superintendents, business managers, facility planners, architects, maintenance personnel, contractors, developers, financial institutions, attorneys, licensed professionals, construction inspectors, and consultants.

For more information, please contact Shannon Mahoney in the C.A.S.H. office at (916) 448-8577 or sfife@m-w-h.com.

Corona New Primary School

Architect:
WWCOT Architecture|Planning|Interiors|Forensics

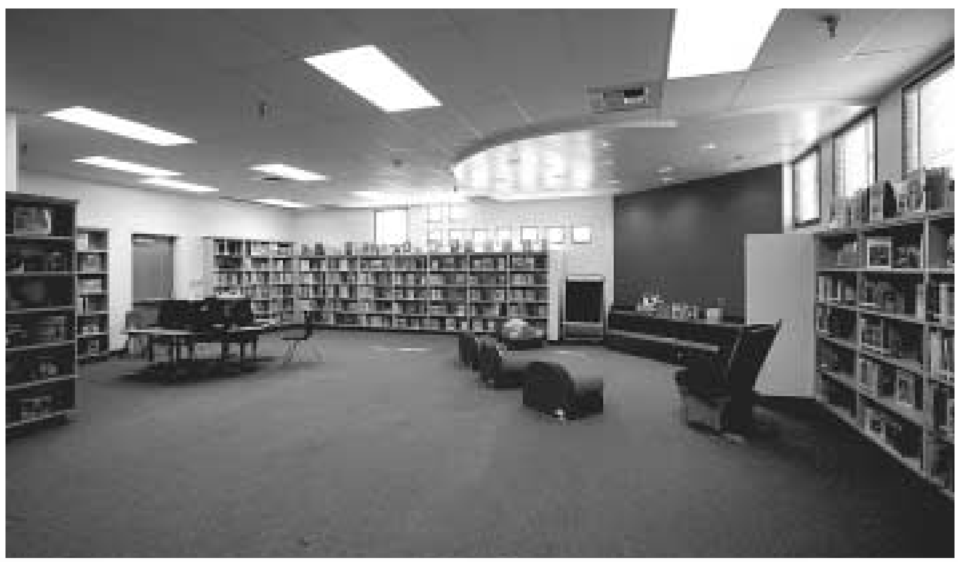
Client:
Los Angeles Unified School District

Project Size:
55,132 square feet

This new facility provides educational classroom space for 400 students ranging from kindergarten through 2nd grade. Constrained by the 1.25-acre site, the 55,132 square-foot two-story building efficiently accommodates 16 classrooms, as well as areas for small group instruction, a library, nurse's office, multi-purpose room, kitchen with lunch shelter, administrative/staff space, and underground staff parking.

Students access the front entrance via a safe passenger drop-off zone. After hours, community members can access the multi-purpose room through a separate and distinct exterior entrance. Immediately adjacent to the site is the Ernest Debs Public Park that provides shared recreational use with the community.

The contemporary, stucco exterior features vibrant, color-defined forms with accented windows, resulting in a visually rich and exciting design that will serve as a center for education and provide the neighborhood with a landmark edifice.



FRC Update

PLANNING

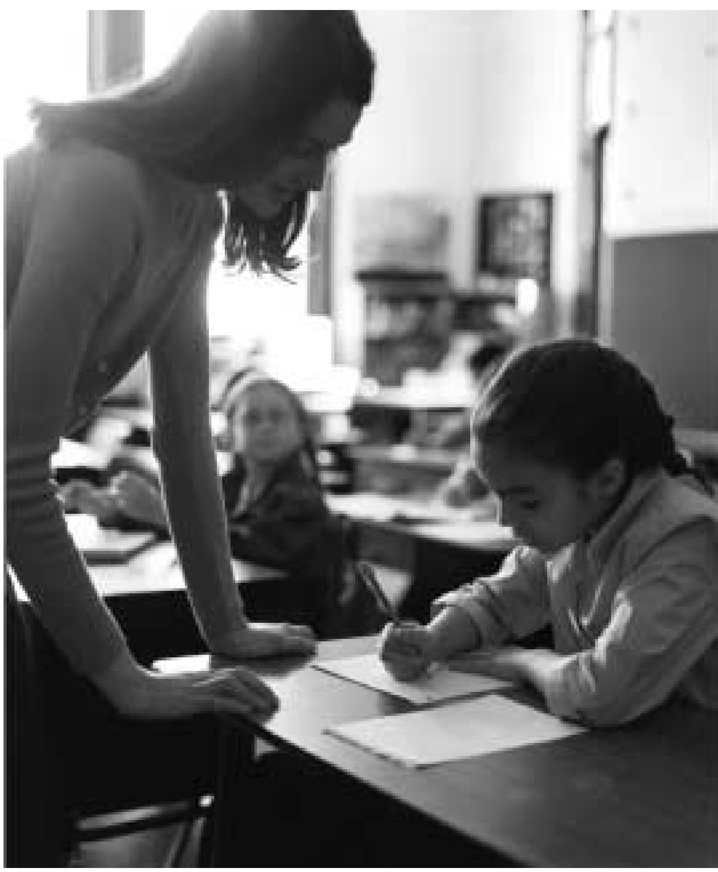
The following presentations on Planning can be found on the Facility Resource Center at www.cashnet.org by entering Planning in the **Search Resource Center** box.

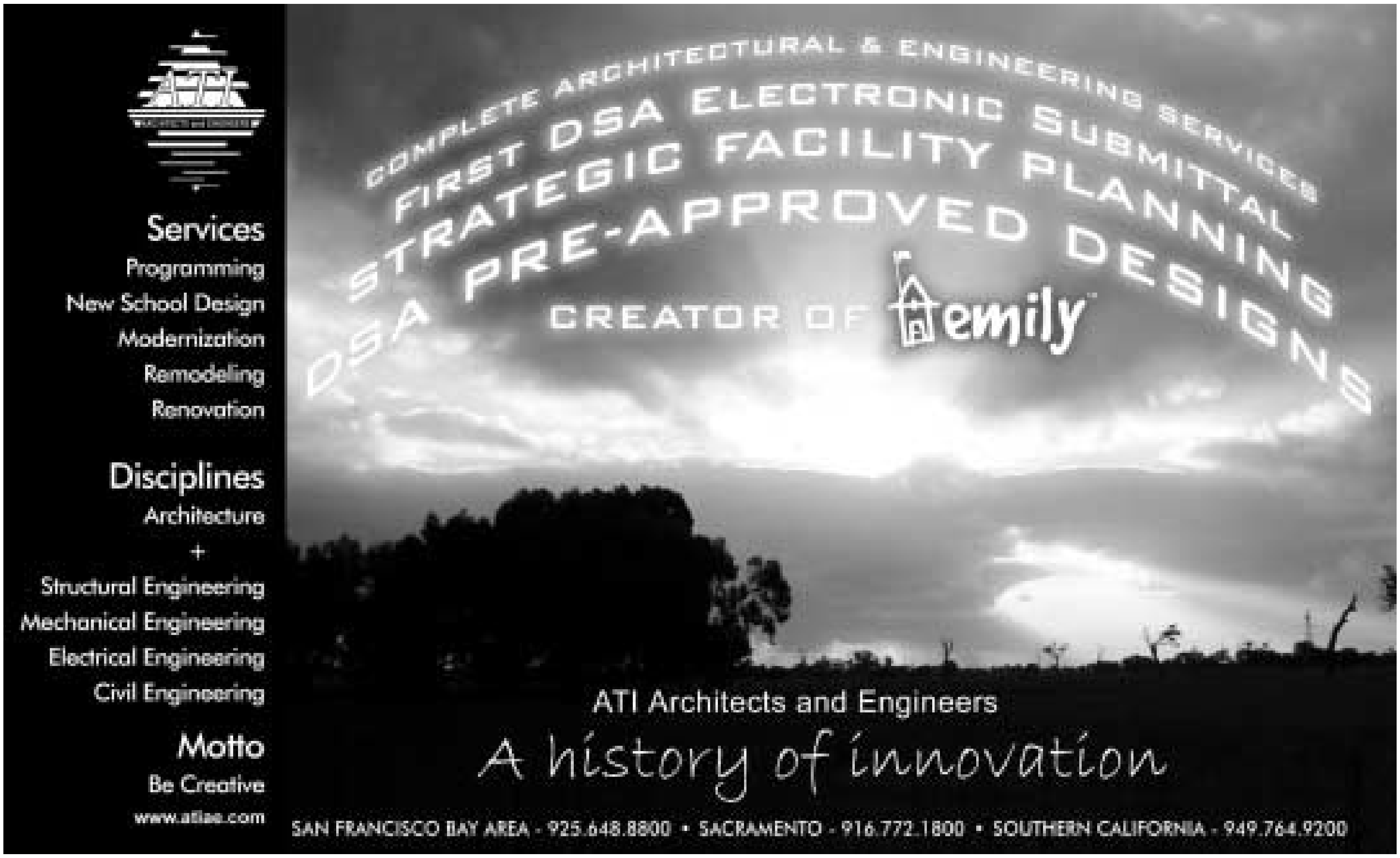
0.1.07 Budget Basics
Lettie Boggs, Colbi Technologies, August 2005
This presentation outlines the basic budget categories for new construction projects, such as site acquisition, planning and design, construction testing, inspection, furniture and equipment, and contingency.

0.1.13 Planning for a Successful Audit and the Audit Process
Noe Valadez, OPSC, August 2005
This OPSC presentation discusses proper accounting; fund release authorization; substantial progress; expenditure reporting; OPSC's audit requirements; expenditure audit (including certifications); noteworthy site information; and available OPSC resources and staff contact information.

1.3.11 Master Planning and Enrollment Projections; Asset Management/ Shifting Enrollment
Kathy Tanner, Cathy Wright, Sweetwater Union High School District, May 2005
The master plan process, demographic methodology, program costs and asset management of district property are dealt with here.

2.1.25 Planning Space Efficiently
Robert Lavey, Perkins and Will Architects, August 2005
Components of a facilities master plan are emphasized including district wide equity, educational and facilities goals development and assessment, space utilization, budgetary analysis, modernization costs, and efficient planning and design.

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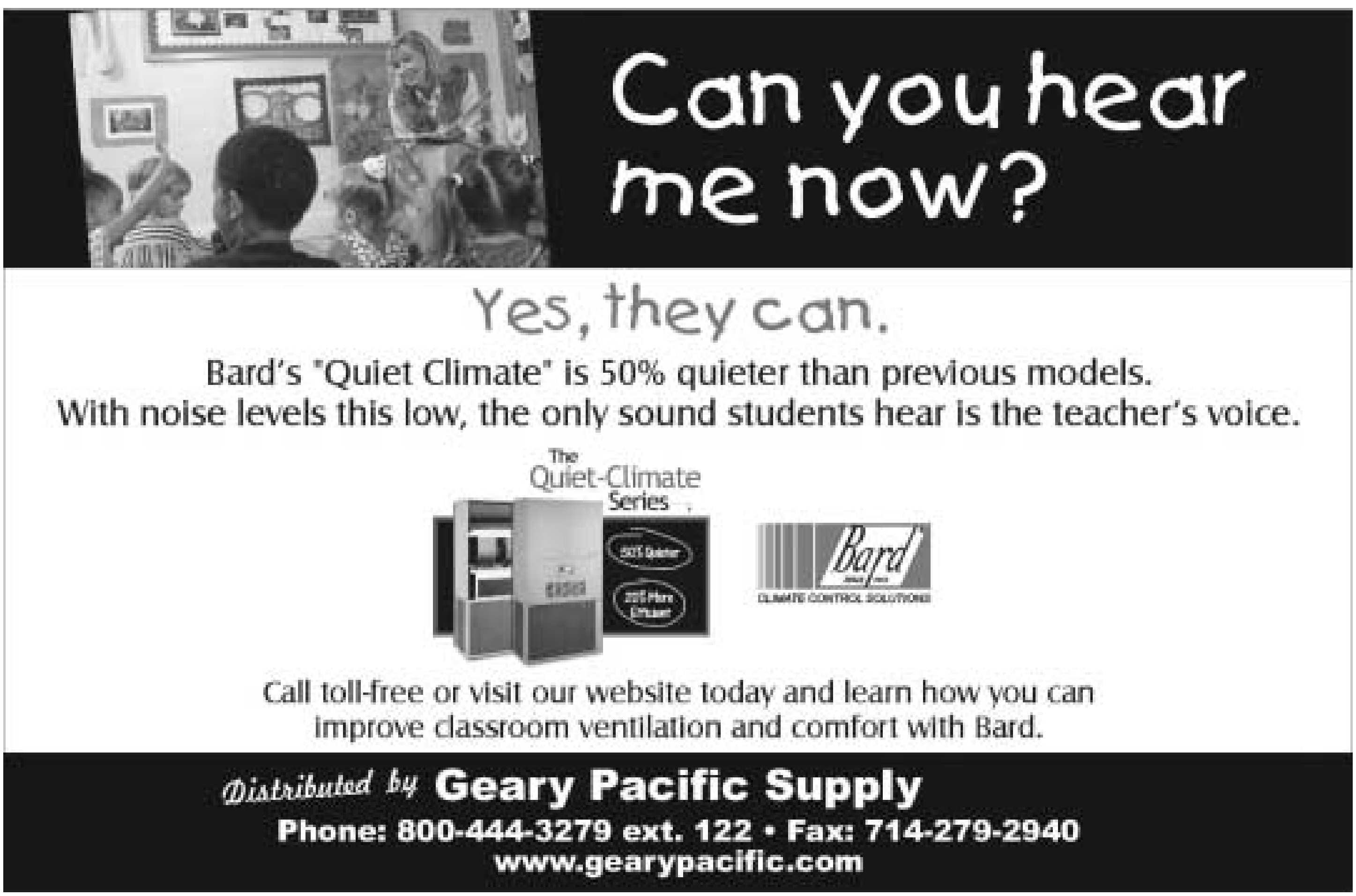
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C.A.S.H. Meetings, Conferences & Workshops

February 20, 2006 Monday	**C.A.S.H. Annual Golf Tournament** Woodcreek Golf Course, Roseville, CA	
February 21-23, 2006 Tuesday – Thursday	**C.A.S.H. 27th Annual Conference** Sacramento Convention Center & Hyatt Regency Hotel Sacramento, CA	
March 21, 2006 Tuesday 9:00 a.m. – 1:00 p.m.	**Piggyback Contracts – What Does the Attorney General's Opinion Really Mean?, Part II Workshop** Red Lion Hotel , 1401 Arden Way, Sacramento, CA	
March 22, 2006 Wednesday 11:00 a.m. – 12:15 p.m.	**General Membership Meeting** 1215 K Street, 14th Floor, Sacramento, CA 95814	
March 24, 2006 Friday 9:00 a.m. – 1:00 p.m.	**Piggyback Contracts – What Does the Attorney General's Opinion Really Mean?, Part II Workshop** Ontario Airport Marriott, 2200 E. Holt Blvd., Ontario, CA	
April 25, 2006 Tuesday	**TBD Workshop** Doubletree Hotel, 2001 Point West Way, Sacramento, CA	
April 26, 2006 Wednesday 11:00 a.m. – 12:15 p.m.	**General Membership Meeting** Location TBD	
April 28, 2006 Friday	**TBD Workshop** Ontario Airport Marriott, 2200 E. Holt Blvd. , Ontario, CA	

Monthly C.A.S.H. meetings are held from 11:00 a.m. to Noon in Sacramento. The monthly meetings are always scheduled to coincide with the monthly meetings of the State Allocation Board on the fourth Wednesday of the month, except in November and December, to enable C.A.S.H. members to attend the SAB's afternoon session. Both SAB meetings and General membership meetings are subject to change.

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