



www.cashnet.org
Volume XXIX, No. 9

REGISTER

THE NEWSLETTER OF THE COALITION FOR ADEQUATE SCHOOL HOUSING

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Message From The Chair



Ted E. Rozzi, C.A.S.H. Chair

After a long and challenging year, the Governor and Legislature have finally reached an agreement on a \$104.3 billion State Budget. The Governor signed the budget on September 23rd and set a record for the longest budget delay in California history. In addition to the more obvious challenges that a protracted budget debate poses for funding state programs and operations,

it is important to recognize that the overwhelming focus of decision-makers on addressing the State's fiscal challenges had a pronounced 'chilling' effect on significant policy discussions.

The most immediate effect of the focus on budget and fiscal issues in Sacramento this year can be seen in the discussions surrounding the possibility of placing a statewide school bond on the ballot for 2008. Specifically, AB 100 (Mullin) was introduced early in the year and was intended to be the legislative vehicle for a proposed 2008 statewide school bond; however, as a result of concerns about the state's fiscal challenges, an agreement was not reached. C.A.S.H. has always believed that sufficient funding to build and modernize schools is one of its primary missions, and statewide school bonds such as Propositions 47, 55, and 1D have historically provided this funding in concert with local school bonds and other sources of local funding. C.A.S.H. and the school facilities community must now look toward making a case for a statewide school

bond in 2010, and we have already begun to develop a plan and meet with stakeholders to begin making our case.

Concerning legislation more broadly, legislative leaders warned both policy and fiscal committees early in the Legislative Session that bills which include significant funding would have little chance of approval this year. Consequently, many bills were significantly revised, and still more did not survive the legislative process. A tangible example of how the focus on fiscal issues affected the legislative process is the fact that during the heat of budget negotiations, the Governor informed legislators that until a budget agreement was reached, he would not sign any bills into law. With respect to school facility bills in particular, although many were introduced despite the difficult fiscal situation, few school facilities bills ultimately survived.

In spite of these very real challenges, C.A.S.H. was still able to successfully pursue its primary objectives of ensuring adequate funding to build and modernize schools and to ensure that funding programs are efficient and equitable enough to allow practitioners to access funding to meet the educational facility needs of students. Specifically, C.A.S.H.'s expertise and advocacy was critical in reaching an agreement in both houses of the legislature on AB 100 and sending the bill to the Governor. AB 100 morphed from a vehicle for a statewide school bond into a bill that increases School Facility Program (SFP) grant levels by 5 percent in January 2009 and 4 percent in January 2010 and includes grant increases for special education. At the last minute the Governor did not sign AB 100. His veto message stated that the bill would set an undesirable precedent by providing a retroactive increase in the per pupil grants which conflicts with the full and final appor-



REGISTER

Volume XXIX, Number 9
September 2008

© 2008 The Coalition for Adequate School Housing

ISSN: 1081-9088

Publisher: Coalition for Adequate School Housing • Editor: Greg Golik

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.

tionment provision, and given the State's current fiscal climate, it is imprudent to increase construction grants at this time, particularly considering it is uncertain when the next school bond measure may be approved by the voters. The Governor's veto of AB 100 leaves in place the provisions of AB 127 (Proposition 1D) authorizing the State Allocation Board to increase (by up to 6% in any fiscal year) or decrease the new construction per pupil grants necessary to cause the grants to correspond to the costs of new school construction.


In addition, C.A.S.H. sponsored AB 2173 (Caballero) and SB 1354 (Torlakson), bills that respectively would have improved the conditions that school districts must meet in order to assess Level 2 developer fees and require the Superintendent of Public Instruction (SPI) to conduct an evaluation of new construction projects built under the SFP for educational adequacy. Like many of the bills that reached the Governor's desk in this budget crisis, AB 2173 and AB 1354 were vetoed.

In addition to sponsoring legislation, a significant component of legislative advocacy is protecting what you have previously fought for and preventing bad bills from becoming law. Consequently, C.A.S.H. played defense on bills that we believe would have adversely affected the school facilities community. As an example, early in the year various legislative and budget proposals which would have eliminated Deferred Maintenance Program (DMP) funding and allowed districts to contribute less than the currently required 3 percent to the Routine Restricted Maintenance Account (RRMA) were being considered by decision-makers. C.A.S.H. pushed back with vigor, arguing that in light of the State's significant investment in school facili-

ties in the past ten years, this 'robbing Peter to Pay Paul' approach is ultimately an imprudent fiscal decision. The final version of the budget included a fully-funded DMP and did not allow reduction in the required contribution to the RRMA. As always, the C.A.S.H. advocacy team tracked all bills relating to school facilities, and adopted appropriate support and opposition positions on bills dealing with critical issues such as labor compliance programs, school inspections, maintenance and operations funding and MTYRE operational grant "hits" to name a few.

In addition to advocating for adequate funding, C.A.S.H.'s other primary mission is to provide timely and accurate information to our members about these critical issues that affect your ability to build and modernize schools. To this end, I encourage you to attend the C.A.S.H. 30th Annual Conference (February 23-26, 2009, Sacramento Convention Center). This

year's theme is 30 Years of School Facilities Leadership – Advocacy, Education, Collaboration. As this year indicates, during these uncertain and tough economic times, it's absolutely critical to stay apprised of all funding opportunities; law, regulation, and policy changes; new and emerging concepts, approaches and trends; and fiscal management, planning, maintenance and operations, architectural, and school construction best practices and strategies.


Finally, as this eventful legislative year draws to a close, C.A.S.H. is already looking forward as the C.A.S.H. Board and Legislative Advisory Committee begin to develop our legislative and regulatory platform to allow our organization to continue to collectively pursue our common goal of providing the kind of complete schools that enhance teaching and learning in an increasingly complex educational environment. With our members help, we will be successful. 

State Allocation Board Appoints Assistant Executive Officer

The State Allocation Board is pleased to announce the appointment of Katrina Valentine to the position of Assistant Executive Officer for the Board effective October 1, 2008.

Since October 1998, Ms. Valentine has served the Office of Public School Construction in various capacities. Most recently, she was the Supervisor of the Policy and Specials Team, where she was responsible for

researching and implementing numerous policy issues related to the School Facility Program. Additionally, she has worked to successfully resolve many complex and sensitive school district appeal requests during her 10 years with OPSC.

Ms. Valentine received her Bachelor of Arts degree from California State University, Sacramento and lives in Folsom with her husband and two children. 

SAB Implementation Committee Notes

September 5 & 19, 2008

The September 5 Implementation Committee meeting, chaired by Rob Cook, included three items on the agenda for discussion, (1) Proposed amendments to the Financial Hardship Program regulations, (2) Loss of Self-Certification and the Recovery of Interest relative to Material Inaccuracies, and (3) the Joint Use Program.

The SAB at the August 27, 2008 meeting requested staff to include as part of the Financial Hardship Program discussion the recently revised Financial Hardship Checklists; however, SAB counsel determined that the checklists could not be added to the agenda as it would violate the noticing requirements under the Bagley Keene Act. OPSC distributed the checklists and are encouraging public input and comment but requested that input be provided in the next two weeks. Rob Cook, Executive Officer, clarified that the checklists are not being mandated by the OPSC, but encouraged districts to use them to expedite a Financial Hardship review process. He indicated that OPSC would like to implement the checklists by the end of September.

Below are some of the significant points of discussion regarding the three agenda items.

Financial Hardship Program

Rob began the meeting by informing the Committee and audience that two groups had been formed around the issue of the Financial Hardship Program and have been working diligently to bring proposed changes forth. One group, which he referred to as the Reform Group, has been tasked with looking at reforming the program in areas relating to program eligibility and

determining reasonable district contributions, as well as determining ways to make the program more efficient, effective, and expeditious. The second group is a work group convened by the OPSC that included representatives from county offices of education, school districts, the California Association of School Business Officials (CASBO) and private practitioners who provide service to school districts, who were tasked with proposing more immediate changes necessitated by an issue with which the Board recently grappled. Rob and the Implementation Committee commended the work and effort and input of the work group.

Prior to the formation of the work group, C.A.S.H. communicated with Rob that it would appreciate the opportunity to participate with a C.A.S.H. delegate. C.A.S.H., as an organization, was unable to participate in the OPSC work group. Bill Savidge, representing C.A.S.H. on the Committee, voiced concerns surrounding equity issues raised by the proposed amendments presented to the Committee, stating that they could result in creating a "second-class group of school districts" for the inability to provide equivalent facilities to those provided by non-Financial Hardship districts. Bill also expressed that portions of the proposed regulations would be more appropriately reviewed and vetted by the Reform Group and requested that the Reform Group be expanded to include practitioners and stakeholders. This statement was echoed by other members of the committee and audience.

There were eight major topics under the Financial Hardship proposed regulatory amendments; however, the Implementation Committee only was able to review and discuss the first three items. As a result, Rob continued the

September 5 meeting until September 19th to finish reviewing and discussing the remaining items. The three items that were discussed are summarized as follows.

1. Program Reporting Requirements/Conditions

The amendments propose that as a condition of receiving Financial Hardship approval, a school district shall disclose all financial information and resources for capital facilities funding, which includes funds outside of capital facility accounts. Such financial information includes current and projected revenue anticipated to be received within six months of the date the documentation is filed with the OPSC.

Major discussion of this item was the question of what does the documentation and reporting requirements cover over a period of time and that the proposed regulations need to clarify this. It was suggested by OPSC staff that the required documentation would correspond to the period of time covered by the reporting requirements.

2. Savings

The amendments propose to require the return of savings, and interest earned, when the Final Expenditure Report (Form 50-06) is due or apply the savings to reduce the apportionment on another Financial Hardship Project on the OPSC workload list. This proposed change in regulation is intended, according to OPSC, to simplify accounting procedures to avoid having to recalculate savings over an extended period of time.

Notwithstanding the intent of the proposed change, members of the Implementation Committee and audience expressed concern that this is a major shift in policy, as current regulation allows districts to retain the savings for a period of three years to reduce an SFP financial hardship project grant. The requirement to return the savings upon submission of Form 50-06, limits a district's flexibility. It was stated that the current regulations do not preclude

a district from returning the savings at the time it files its Form 50-06.

OPSC agreed to review this matter and bring back revised language.

3. Initial Review

The amendments define revenues, encumbrances, and expenditures for purposes of a review of Financial Hardship status approval and status renewal.

Revenue: All current and projected capital facility funding that is designated for capital outlay purposes. Projected revenues include those that are anticipated to be received within six months of documentation submittal. Revenues include, but are not limited to, apportioned state grants, developer fees, redevelopment agency fees, COPs, federal grants, proceeds from the sale of surplus property, the appraised value of facilities approved for replacement under regulation, and apportioned bond funds, bond funds in excess of refinanced amounts, encumbered bond funds, unencumbered bond funds, or authorized but unsold bonds.

Encumbrances: Narrowed to encumbrances for constructing or modernizing classrooms and required school facilities, limited to multipurpose rooms, gyms, toilet facilities, libraries/media rooms, and administration facilities.

- Any encumbrance beyond those listed will not be recognized in the Financial Hardship review and will be considered district contribution.
- Encumbrances on regular SFP (50/50) projects will be limited to the district's share of the SAB approved total project costs – overages will be considered district contribution.
- Districts must demonstrate through the life of a project that expenditures are materially liquidating encumbrances. If encumbrances are not materially liquidated within a 12-month period, those funds shall be unencumbered and considered district contribution.

Expenditures: Allowable expenditures under the Financial Hardship

Program will be limited to those associated with the construction or modernization of classrooms and required school facilities, limited to multipurpose rooms, gyms, toilet facilities, libraries/media rooms, and administration facilities and must meet the definition provided in the CDE California School Accounting Manual.

Most of the discussion on the three items covered by the Implementation Committee centered on this topic. Major areas of concern included:

- Projected revenue that is either over-projected or never materializes. OPSC indicated that it would adjust its books as necessary; however, one Committee member expressed concern about cash flow issues that may result from the requirement to project revenue.
- Revised definition of eligible encumbrances and expenditures (limited to classrooms and minimum essential facilities) for its implications on what will be considered as available for district contribution and prior encumbrances outside of those defined spaces that may be considered as available for district contribution.
- How far back OPSC will look for encumbrances. OPSC stated that it will only look at encumbrances from the date the Financial Hardship application is filed forward.
- Funds obligated by governing bond language, federal grants toward spaces/projects outside of those defined.

The five remaining topics (listed below with a brief summary of the proposed changes) will be discussed at the September 19th Implementation Committee meeting:

Approval Period Extended/ Renewal Review

Financial Hardship Approval status is proposed to be extended to a 12-month period with two interim reporting requirements that, based on review of the interim reports, could result in the

termination of Financial Hardship status. Districts would be required to request a review to re-establish Financial Hardship status *no earlier* than the expiration of the district's 12-month approved status.

Interim Reporting Requirement

The proposed amendments include three financial reporting periods for purposes of reviewing a district's Financial Hardship Approval status. The reporting period deadlines are proposed as follows:

- December 15: 1st Interim Financial (July 1 – October 31)
- March 15: 2nd Interim Financial (November 1 – January 31)
- September 15: Year End Financial (July 1 – June 30)

Three Year Rule

The proposed amendments change the start of the three-year period to the latest of: the date of the most recent financial hardship new construction or modernization adjusted grant, the date of the most recent financial hardship approval status, or the date the district elects to stay out of the Financial Hardship Program per an SFP project audit finding – occurrences of each would restart the three-year period.

Small School Districts

The proposed amendments define that for small school districts with ADA less than 2,500 the maximum district contribution from non-bond funds shall not exceed the minimum reserve balance for economic uncertainty during the 12-month Financial Hardship Approval status.

Qualifying Criteria

The proposed amendments redefine what can be considered when calculating the level of district bonded indebtedness as limited to debt issued for purposes of constructing or modernizing classrooms or multipurpose rooms, gyms, toilet facilities, libraries/media rooms, and administration facilities for

Continued on page 12

State Allocation Board Meeting Notes

September 24, 2008

At the beginning of the SAB meeting, Ann Sheehan, the Department of Finance (DOF) representative and chair of the SAB, announced that this would be her last meeting since she had accepted a job with the California State Teacher's Retirement System. Tom Sheehy from DOF will replace her temporarily until the Governor names a permanent replacement.

Assembly Member Brownley from Santa Monica substituted for Assembly Member Margett, and Assembly Member Karnette from Long Beach substituted for Assembly Member DeLeon.

Executive Officer's Statement

1. The EO informed the SAB that OPSC was working with the State Architect on a series of roundtables regarding grid neutral schools. OPSC is specifically addressing the innovative financing piece of the issue. The results of the various roundtable discussions will be presented at the Green Schools Summit and Exposition in Anaheim in December.
2. The December 10 SAB meeting will be held in Anaheim in conjunction with the Green Schools Summit and Exposition.
3. OPSC is conducting AB 1014 Implementation workshops throughout the State. OPSC participated in C.A.S.H. workshops on AB 1014 in August. The AB 1014 regulations have been submitted to the Office of Administrative Law for final approval, which is expected by the end of October 2008.

4. The Financial Hardship Checklist could not be discussed at the September SAB Implementation Committee because there wasn't sufficient time to notice it. However, the checklist was distributed through the mail and at the September 5 Imp Committee and school districts were asked to comment on it.

Status of Funds

There is \$865 million left in new construction funding and \$2.2 billion left in modernization funding. The 2008/2009 State Budget added \$100 million to the Emergency Repair Program. With the \$46 million currently in the ERP fund there is now \$146 million available, but there is over \$700 million in requests awaiting OPSC review.

Average Statewide Per Pupil Savings for MTYRE

The every other year report to the legislature per ECS 42263(d) on the statewide per pupil construction cost savings of MTYRE is \$3,085 for a 20-year useful life of a facility, \$2057 for a 30-year useful life of a facility, and \$1543 for a 40-year useful life of a facility.

Macias Report

The SAB voted to formally not accept the Macias Grant Adequacy Study. In addition, the SAB directed that the motion include a statement that the SAB does not approve of the report being cited for any fiscal, legislative, administrative, or other official purposes and that the Report be removed from the SAB/OPSC website

as a stand alone document. To access the report you would have to go the minutes of the SAB meeting where the report was discussed.

Ken Macias, founder of the Macias Gini & O'Connell firm that produced the report, and Denise Callahan with the firm addressed the SAB stating that they disagreed with the motion. Ken Macias boasted about his firm's many financial, accounting, and audit contracts with state agencies and others. Senator Scott was not impressed and said the firm was simply a hired consultant, they were paid for their work, and the SAB was under no obligation to accept the report. Senator Scott said the SAB asked many questions about the report and didn't get satisfactory answers from the Macias staff. Senator Scott said it makes no difference what other contracts or clients the firm has had in the past.

In an incredible display of unprofessionalism, arrogance, and disrespect for the SAB, Denise Callahan, who directed the widely criticized report, accused the SAB of being bought by lobbyists.

Senators Scott, Margett and Simitian; Assembly Members Fuller, Brownley, and Karnette; and Kathleen Moore approved the motion to officially not accept the report, including the caveats noted above. The DOF representative abstained, and the Department of General Services representative was out of the room during the vote. The Governor's appointee to the SAB, Rosario Girard, was not in attendance at the meeting. The motion to not accept the report and the caveats passed.

LAUSD 150% and 60% regulations

The district argued that the 150% rule should not apply to its projects because the district did not contribute any funds beyond the local match requirement. The district argued that OPSC had changed the way it has applied the 150% rule in the past. OPSC stated that the only change was

when they applied the adjustment. OPSC stated they used to apply the 150% rule at the time of audit but now they do it at the time of application.

The SAB discussed the need to separate the appeal from a discussion of whether the 150% and 60% regulations need to be reviewed and possibly revised. A motion to separate the appeal from a review of the regulations passed unanimously. A motion to deny the district's appeal failed on a 5 to 3 vote. A motion to bring the item back to the next SAB passed unanimously. It was acknowledged that there was insufficient time to notice the item to be discussed at the next scheduled SAB Imp Committee on October 3.

Material Inaccuracy

OPSC proposed the following:

1. Staff would recommend to the SAB a loss of self-certification for a period of up to five years, as outlined in an attachment in the agenda.
2. For a premature fund release, interest would be calculated from the date the warrant was released to when the district met the Fund Release Authorization requirements.
3. For an invalid fund release, interest would be calculated from the date of the invalid warrant release to the date the item is approved by the SAB.

An attorney from the audience pointed out that the law states the SAB shall prohibit the district from self-certifying for up to five years OR until the district repays the entire amount owed, and the OPSC proposal simply ignores the provision regarding payment in full. Another audience member stated that there also were legal issues regarding OPSC's proposed method of calculating interest on invalid fund releases.

The SAB voted to bring the entire item back to the SAB next month.


Prior Bond Funds Available for Transfer

The OPSC write-up discussed potential Lease-Purchase Program (LPP) bond funds that may be available to transfer to the SFP, particularly the Joint-Use Program. The write-up stated that in the next 6 months there may be \$6.6 million available. The report stated that with new construction and other program fund balances rapidly declining the SAB may wish to consider reserving those funds for other high priority needs such as health and safety projects. The SAB accepted the report. No further action was needed.

At the conclusion of the meeting, during the public comment period, Tom Duffy, representing C.A.S.H., pointed out to the SAB members that C.A.S.H. had submitted letters to them on various subjects. In addition to the two items that were on the September 24 SAB agenda (the Macias Report and the 150% regulation), C.A.S.H. submitted a letter on the Seismic Retrofit and Replacement

Program and the Excessive Cost Hardship Grant for Accessibility. C.A.S.H. is concerned that the criteria to receive funding from the Seismic Program is so restrictive that no school district has yet to apply for the funds. C.A.S.H. is requesting that the regulations be reviewed and possibly amended. C.A.S.H. also expressed concern that the OPSC item on the Excessive Cost Hardship Grant for Accessibility that was approved by the SAB at the last SAB meeting was not available to the public until just prior to the SAB meeting and the public did not have an opportunity to review and digest it. C.A.S.H. requested that the item be discussed at the SAB Implementation Committee.


The next SAB meeting will be on October 29, 2008, instead of the normally scheduled fourth Wednesday of the month.

As stated above, the November/December SAB meeting is being planned for December 10 at the Anaheim Convention Center. 

-C.A.S.H. Staff

Governor Signs a Bill to Phase Out the MTYRE Operational Grants Program

Governor Schwarzenegger signed SB 658 (Romero), which phases out the MTYRE Operational Grants Program over a four-year period, beginning with the 2008-09 fiscal year, by reducing operational grant funding by 20 percent each year. The bill requires that the funds retained in the State's General Fund by the phasing out MTYRE Operational Grants Program shall be reallocated to the Charter School Facility Grant

Program administered by the California Department of Education. SB 658 also restores the SFP new construction eligibility that is otherwise required to be reduced for districts that received MTYRE Operational Grants in the 2007-08 fiscal year. This bill has an urgency clause, which means that it is effective upon the date that the Governor signed the bill. 

-C.A.S.H. Staff

Maintenance Budget Update

After a long and challenging year, the Governor and Legislature finally reached a budget agreement on September 23rd, setting a record for the longest budget delay in California history.

As you know, early in the year various legislative and budget proposals which would have eliminated Deferred Maintenance Program (DMP) funding and allowed districts to contribute less than the currently required 3 percent to the Routine Restricted Maintenance Account (RRMA) were being considered by decision-makers. C.A.S.H. and the C.A.S.H. Maintenance Network pushed back with vigor, arguing that in light of the State's significant investment in school facilities in the past ten years, this 'robbing Peter to pay Paul' approach is ultimately an imprudent

fiscal decision. C.A.S.H. also informed decision-makers that M&O directors have already been doing more with less.

In the end, the final version of the budget included \$277 million to fund the DMP, which is the same amount as last year. In addition, the proposals to allow a reduction in RRMA contributions were not approved. Finally, some good news in a very difficult year.

We will be discussing this, other critical M&O funding issues at our series of fall M&O workshops. We highly encourage you to attend to get the latest information on this, and other issues of interest to M&O departments.

The first workshop will be held on Friday, October 31 from 9:00 a.m. - 12:00 p.m. at the Los Angeles County Office of Education, Downey. Please

join us for breakfast at 8:00 a.m.


Additional workshops will be held at the following:

Thursday, November 6

12:00 p.m. - 4:00 p.m.
Contra Costa County Office of Education
Pleasant Hill, California

Friday, November 14

8:00 a.m. - 12:00 p.m.
Clovis Unified School District
Professional Building
Clovis, California

For more information, please contact Ian Padilla at (916) 448-8577 or ipadilla@m-w-h.com. 

Gordon King, Highly Esteemed School Architect Mourned by C.A.S.H.

The education community has lost a dear friend. Gordon King, a long-time supporter of the Coalition for Adequate School Housing (C.A.S.H.) and colleague of many of us, died on September 21, 2008. Gordon served as an expert school architect for more than half a century and during that time not only planned and built schools, but also influenced and mentored many of those, such as this writer, who found his dedication to and




Gordon King

passion for excellence in school design compelling and chose to follow his lead.

He will be greatly missed. Those of us who knew him and appreciated his work as an advocate for sound policy in the area of school construction funding, have fond memories of Gordon, cigar in hand, laughing and gesturing at the conclusion of a State

Allocation Board meeting during which he had addressed the Board about

program inequities and the need for change. He was the only presenter to the SAB that ever addressed Senator Leroy Greene as simply "Leroy" during a formal meeting. He could get away with such because Gordon like his friend, Jim Murdoch, was given the rarity of being admired by the irascible Senator with the sharp tongue and rapier wit.

A memorial service was held Saturday, October 4th at 2:00 pm. at the Theatre at Cosumnes Oaks High School in Elk Grove. Family and friends will gather to remember, to grieve and to celebrate a life. 

— Tom Duffy

K-12 School Operators Awarded BOC Certification

Twelve facility operators working in K-12 school districts in California have been awarded Level 1 Building Operator Certification this year. The operators participated in a recent BOC course series held throughout California where they completed seven months of

classroom training and in-facility project work to earn certification. Topics include HVAC systems and controls, energy conservation techniques, electrical systems, and indoor air quality.

BOC is a competency-based training

and certification for building operators designed to improve the energy efficiency of commercial buildings. The certification provides a credential for their professional development while also offering employers a way to identify skilled operators.


BOC Level I Awardees

Vince Marchetti	Administrative Coordinator	Long Beach Unified School District
Riley Allredge	Carpenter	Kern High School District
Clint Bland	Air Conditioning Technician	Kern High School District
Roger Ellis	Electrician	Kern High School District
Joe Gonzales	Plumber	Kern High School District
Doug Halverson	Energy Management Analyst	Clovis Unified School District
Kent Jones	Carpenter, Lead Worker	Kern High School District
Thomas Ryan	Electrician	Kern High School District
Roy Owens	Energy Manager	Vacaville Unified School District
Dan Zauner	A/C Mechanic	Kern High School District
Robert Armenta	Maintenance Crews Supervisor	San Bernardino City Unified School District
George Harvick	Electronics Supervisor	San Bernardino City Unified School District

Over 50 California school districts have enrolled M&O staff and engineers in BOC. Nationwide, more than 5,000 operators have been certified since the program's inception in 1997; BOC certification is recognized by employers in over twenty states. Sponsors of the courses in California include Pacific Gas and Electric, Sacramento Municipi-

pal Utility District, San Diego Gas & Electric, Southern California Edison, and Southern California Gas Co.

BOC Level I course series will be offered this fall in Ontario (Sept. 2008), Northridge (Oct. 2008), San Jose (Oct. 2008) and San Francisco (Oct. 2008); Level II will be offered in Irvine (Sept. 2008) and Los Angeles

(Sept. 2008). For a full schedule and more information, visit <http://www.theboc.info/ca>, or call the BOC office at 206-292-4793 x2. 


— This article has been provided by C.A.S.H. member Northwest Energy Efficiency Council, which is a partner in the Building Operators Certification Program.

School Facilities Leadership Academy

The Third Cohort of the C.A.S.H. School Facilities Leadership Academy got off to a great start. On September 4th, we welcomed 27 future school facility leaders to the Academy with a working dinner and an overview of school facilities, followed by a few icebreaker activities to help the participants get to know each other. On Friday, the mentors were brought in for bonding time with their participants. That afternoon, the

Academy hosted a reception with the participants, mentors, Academy alumni, and key state agency representatives. Dr. William Ellerbe, Deputy Superintendent, CDE Schools and Operations Branch, returned for an encore as guest speaker during the opening ceremony, as did Will Bush, Director of the Department of General Services. In the absence of Dr. Joel Montero, Chief Executive Officer of FCMAT, participants and guests were welcomed by his colleague, Dr. William Gillaspie, Management

Analyst, who has served on the Academy Steering Committee since its inception. Following a Friday evening workshop on communication and conflict resolution, Saturday concluded with a "toolbox" session of skills taught by the Academy core faculty and a preview of the homework expectations.

If you would like to be a part of the next generation of school facility leaders, please visit www.cash-academy.org 

Bridging Institutions of Learning – Building Partnerships

*By: Vinceena P. Kelly, AIA, Los Angeles County Office of Education
Jim Wurst, AIA, Principal, HMC Architects, Ontario*

The future looks bright for high school students enrolled in unique programs offered at California State Polytechnic University (Cal Poly), Pomona and California State University, Los Angeles (CSULA). Responding to a proposal by the Los Angeles County Office of Education (LACOE), these universities have played host to two high school programs that provide alternatives to traditional curriculum by building a bridge between college and traditional 9-12 classes.

In 1985 the Los Angeles County High School for the Arts (LACHSA) opened its doors on the campus of Cal State L.A., specializing in dance, music, theatre, and visual arts instruction. As a recognized California Distinguished School for academic excellence and a Golden Bell

recipient for its outstanding visual arts program, the school is a tuition-free, public high school open to Los Angeles County students. Administered and run by LACOE, the school meets all high school graduation and university entrance requirements, providing instruction above and beyond the traditional high school curriculum.

Cal Poly Pomona accepted a similar invitation from LACOE to join in this new aspect of K-12 reform. The

International Polytechnic High School, also known as I-Poly, opened its doors on the university campus in 1993, graduating its first full class in 1998. The school draws students from throughout Los Angeles, San Bernardino, Orange, and Riverside counties into a project-based, student-centered

education model focused on international issues. The program is experimental in nature, incorporating new technologies with an understanding of the journey students and educators take within the dynamic, 21st century landscape.

“The concept was to create an environment for a transition that is seamless with no blurred lines for students,” states President J. Michael Ortiz, Ph.D., at Cal Poly Pomona. “The university worked hand-in-glove with LACOE to make sure they met the needs of our university and the 9-12 students. We were looking for an

“This unique program approach is based on solving problems and not focused on testing”

***– J. Michael Ortiz, Ph.D.
President, Cal Poly Pomona.***





alternative approach to teaching for the students that did not fit into the traditional 9-12 full day program.”

The results have been two of the most innovative learning environments in California education. “As a partner in the establishment of this first public specialized high school in California, California State University, Los Angeles (CSULA) is proud to be the site of this exciting and exceedingly successful undertaking,” said James M. Rosser, Ph.D., President at CSULA. “The construction of a new facility adds to a quality education and the continuing success of the students, teachers, and

“As a partner in the establishment of this first public specialized high school in California, California State University, Los Angeles is proud to be the site of this exciting and exceedingly successful undertaking”

***– James M. Rosser, Ph.D.
President, California State University L.A.***


with counselors at the universities who assist in developing a plan for university coursework.

In seeking to find a permanent home for these unique programs, LACOE utilized the higher education institu-

administration of LACHSA and CSULA.”

Students from both the university and high school interact in classes. A number of the high school students take university classes after the 9-12 requirements are met, facilitating a smooth transition to the college environment. Students meet

tions that would provide safe and dynamic learning environments. In addition to campus space, these universities have also provided appropriate parking for the new group of students. The county took the opportunity presented through SB50, the original Proposition 1A bond that allowed county offices to participate in unique, state-funded facility programs. LACOE contracted with HMC Architects in Ontario, California to design permanent buildings for each campus. When construction is completed, LACHSA and I-Poly students will enjoy a non-traditional, 9-12 education, taking the next steps toward success after graduation.

With this unique relationship, LACOE and the universities will continue building upon the educational program and provide challenging curriculum to students throughout the surrounding communities. 

Continued from page 5

debt issued *after October 1, 2008*. Debt issued prior to that date will be phased out of the 60% bonded indebtedness calculation by a defined scale through January 1, 2013.

Material Inaccuracies: Loss of Self-Certification, Recovery of Interest

OPSC presented revisions to policy relating to the loss of self-certification and recovery of interest for material inaccuracies.

On the issue of the loss of self-certification, OPSC agreed to include in its reports to the SAB more detailed information on the percentage of construction expenditures under contract and also a recommendation of the loss of self-certification of up to five years as to encourage the Board to exercise its discretion. A major area of concern that arose was the issue of reinstating a district's ability to self-certify once the penalties owed have been paid in full by the district as is authorized in statute. No clear determination was made as to how OPSC will address this in future Board items.

On the issue of the recovery of interest, Margie Brown expressed concern about treating districts fairly that received funds and did not meet the statutory 18-month substantial progress obligation in cases where one district built a project and another did not build a project. The proposed policy is blind to that difference. Therefore, through an apportionment rescission and imposition of interest penalties without the ability to re-file an application and receive the higher grant amount (per the annual inflation adjustment) the district that built the project – and made progress payments accordingly and therefore was not earning interest on the full apportionment – is more severely punished than the district that did not build the project at all and is not harmed by

returning the funds and interest. She requested that the OPSC look for a way to make the policy fairer. There was no clear determination about what OPSC would do on this matter.

Joint-Use Program

The OPSC presented a methodology to review the regulatory caps for Joint-Use projects. The methodology includes a review of:

- Prior apportionments based on total estimated project costs
- Type I and Type II projects
- Different types of facilities
- Square footage (eligible v. built)
- Analyze trends

Committee members stated that the proposed methodology will not capture the essence of the review, which is to look at actual project costs versus the capped amounts. Several audience members suggested applying the construction cost index to the caps over the period of time that they have been in effect and analyze the data for what districts may have received versus what was actually apportioned.

Continuation on September 19

The September 19 special SAB Implementation Committee was devoted exclusively to discussion of proposed Financial Hardship Program Regulatory Amendments.

Although the September 5 SAB Implementation Committee discussed three of the nine conceptual regulatory changes, virtually all areas were discussed at the September 19 meeting.

OPSC staff presented three concepts as a package: Initial Review, Approval Period Extended/Renewal Review, and Interim Reporting Requirement. Some of the major overarching concepts discussed were the following:

1. "Reasonableness Test"—In response to specific questions and examples raised by Implementation Committee and audience members, OPSC often stated that they would apply the reasonableness test to determine, for example, what revenues, encumbrances, and

expenditures would or would not be allowed. Committee and audience members expressed concern that the reasonableness test was too subjective and needed more specificity.

2. Committee and audience members continued to express concern about limiting allowable encumbrances, expenditures, and debt only to constructing or modernizing classrooms and required school facilities (i.e., minimum essential facilities) as being too limited and not recognizing the need for other capital expenditures that are needed to provide educationally appropriate learning environments.
3. Questions continued to be raised about how Financial Hardship (FH) applications can accurately project revenues. OPSC stated that the projections can be adjusted, especially during the interim reporting periods. A member of the committee stated that he thought there was a problem making adjustments after the SAB approved a full and final apportionment for a FH project. Rob Cook stated that the statute is broad, and as it relates to the State match, the SAB has a lot of latitude.

Three Year Rule

The Committee and audience suggested that the three-year period should begin when the initial FH application is approved, rather than the latest of the most recent FH adjusted grant funding; most recent FH approval status; or date the district elects to stay out of the FH program per a SFP audit finding. OPSC will review their recommendation.

Small School Districts

OPSC proposed that for districts with ADA less than 2500, the maximum district contribution from non-bond funds will not exceed the minimum reserve balance for economic uncertainty during the 12-month FH status. A question was asked about how available

funds in excess of the minimum or excess funds beyond the minimum that are encumbered subsequent to the time of initial FH approval would be treated at time of renewal. OPSC stated that they will have to discuss that issue internally and bring back a proposal to a subsequent Imp Committee.

Qualifying Criteria

Questions were raised regarding how bonded indebtedness would be treated to determine the 60% threshold. OPSC stated that COPs, not local bonds were the problem, since districts were issuing COPs to create debt to become eligible for the FH program. Committee and audience members suggested that if bonds weren't the problem one solution would be to raise the 60% debt threshold if COPs and local bond debt are included, and retain the 60% threshold if just local bonds are included. Another comment was to just raise the 60% threshold regardless of whether COPs are included. This issue will come back to the Imp Committee for further discussion.

Non-Substantive Change Regarding Interim Housing Language in

Regulation 1859.81(d)

Committee and audience members disagreed that the change being proposed by OPSC was non-substantive. The discussion centered on the \$19,776 per classroom. OPSC stated that the \$19,776 was the maximum that could be provided and it could be less if the district couldn't demonstrate that the full amount was not needed for interim housing. Committee and audience members stated that when the regulation was originally developed the \$19,776 was automatic, and districts did not have to justify the need for that amount. No agreed upon resolution was reached on this issue.


What Happens Next

Rob Cook stated that OPSC will take all of the comments provided today and at the September 5 Imp Committee meeting and bring back amended proposed regulation changes to a subsequent Imp Committee meeting. He stated that staff would not have time to prepare another iteration for the October 3 meeting.

A committee member suggested that instead of going over another iteration

of proposed regulatory changes the committee and OPSC should discuss the broader issues of what problems OPSC is trying to resolve and the rationale behind the "fixes" they are proposing. Rob Cook stated that he can cite the problems identified by OPSC but he didn't think it would be productive to have the requested discussion. He stated that OPSC has identified the following problems:

1. There are equity issues in the FH program. Some districts have local resources that they are not contributing to the program, and others can't contribute and they get less from the program.
2. Some districts encumber debt just to become eligible for the FH program.
3. Some districts expend funds that otherwise should be contributed to their local match.

It appears that the earliest the Financial Hardship issues will return to the Imp Committee would be October 3, 2008, but OPSC did not commit to bringing the issue back to the October 3 meeting. 

-C.A.S.H. Staff



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Hyatt Regency Sacramento
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- October 29, 2008**
Wednesday
General Membership Meeting
Hyatt Regency Hotel, Sacramento, CA
1209 L Street, Sacramento, CA
- October 31, 2008**
Wednesday
8:00 a.m. - Noon
Maintenance Network Regional Workshop
Los Angeles County Office of Education
9300 Imperial Highway, Downey, CA
- November 6, 2008**
Thursday
Noon - 4:00 p.m.
Maintenance Network Regional Workshop
Contra Costa County Office of Education
77 Santa Barbara Rd., Pleasant Hill, CA
- November 14, 2008**
Friday
8:00 a.m. - Noon
Maintenance Network Regional Workshop
Clovis Unified School District
Professional Building
1680 David E. Cook Way, Clovis, 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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