

State of the State: Upcoming November Election

CASH Fall Conference

Jennifer Baker, *MWH*

October 8, 2026

Economic Outlook:

Positive Projections

- Artificial Intelligence Revenues
- Continued Robust Economy
- Continued growth due to consumer spending



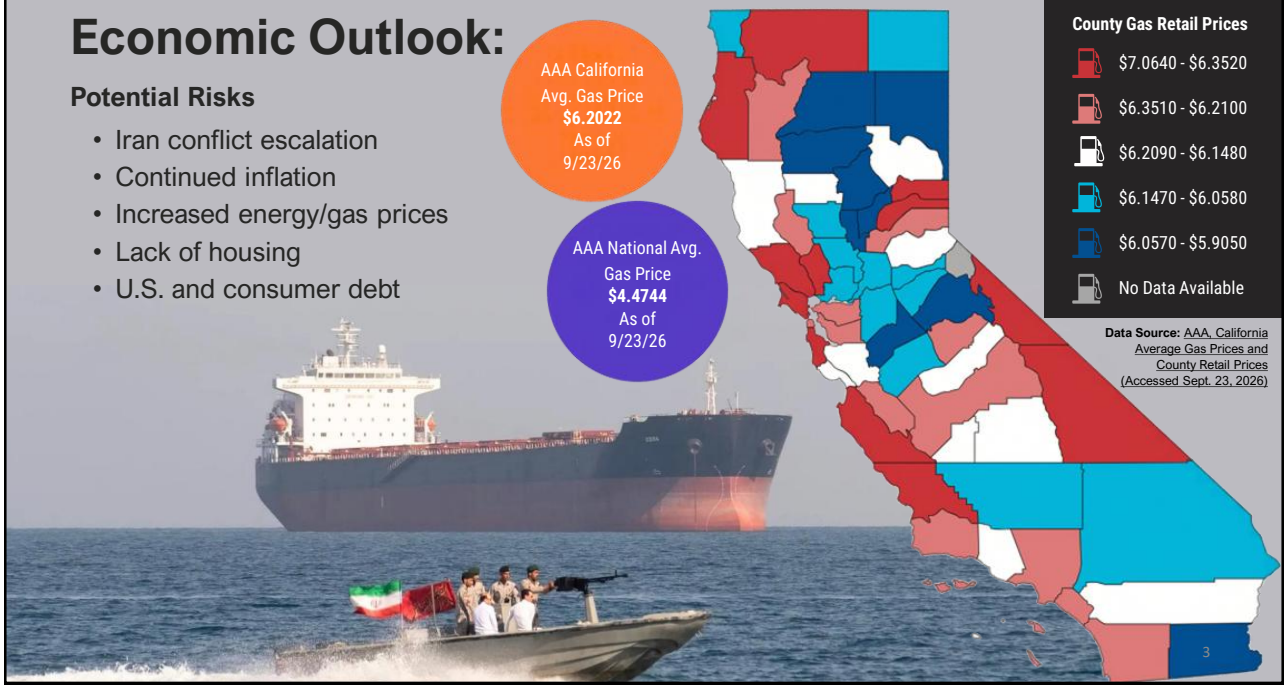
Economic Outlook:

Potential Risks

- Iran conflict escalation
- Continued inflation
- Increased energy/gas prices
- Lack of housing
- U.S. and consumer debt

AAA California Avg. Gas Price **$6.2022** As of 9/23/26

AAA National Avg. Gas Price **$4.4744** As of 9/23/26

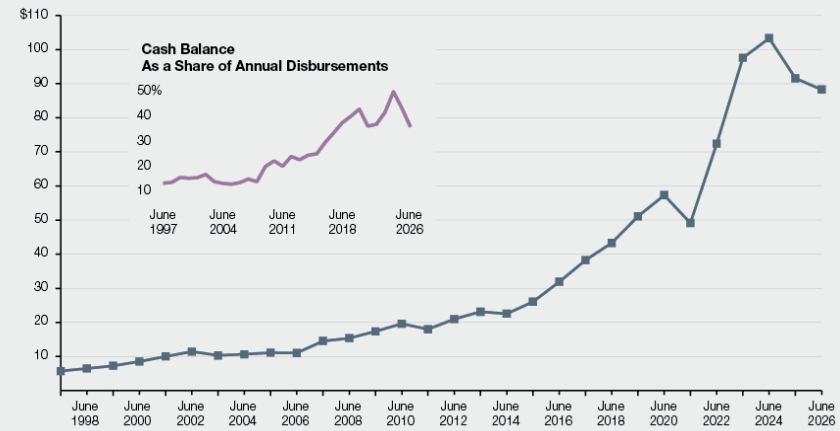


Data Source: AAA, California Average Gas Prices and County Retail Prices (Accessed Sept. 23, 2026)

State's Cash Balance is Strong

- Primarily in special funds, the high balance means managing daily cash flow and saving on borrowing costs.
- Disbursements for infrastructure has increasingly slowed since pandemic

After Pandemic, State's Cash Balance Rose Dramatically
(In Billions)



Line Chart Source: Legislative Analyst's Office, Understanding the State's Astonishing Cash Position, Executive Summary (Sept. 2026)

CASH — California's Coalition for Adequate School Housing℠



Qualified Statewide Ballot Measures



PROP 1 **The Veterans and Affordable Housing Bond Act of 2026**

Authorizes $11.25 billion in bonds for affordable housing programs and the Department of Veterans Affairs Home Loan Program



PROP 2 **Save for California's Future Act**

Increases the Budget Stabilization Account from 10% to 20%



PROP 3 **Provides Permanent Funding for Schools and Healthcare by Extending Existing Tax on High Incomes**

Permanently extends the voter-approved Proposition 30/55 tax on high-income Californians to provide funding for schools and healthcare

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Qualified Statewide Ballot Measures



PROP 4 **California Fair Elections Act of 2026**

Updates campaign finance rules for public officers and candidates



PROP 5 **Elections: Recall of state officers**

Eliminates successor elections for a statewide elected official



PROP 37 **Creates Loan Program for Middle-Income Buyers of Qualified New Homes**

Authorizes $25 billion in bonds for eligible buyers to purchase homes

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Qualified Statewide Ballot Measures



PROP 38 **Authorizes Bonds for Immunology Research**

Authorizes $8.4 billion in bonds for immunology and immunotherapy research



PROP 39 **Establishes Additional Voter Identification and Citizenship Verification Requirements**

Requires voters to present government-issued identification to vote



PROP 40 **Imposes One-Time Tax on Certain Individuals and Trusts**

Imposes a one-time tax of up to 5% on taxpayers and trusts with covered assets valued over $1 billion, with revenues allocated primarily for health care

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Qualified Statewide Ballot Measures



PROP 41 **Requires Audits of Programs Funded by New State Special Taxes. Prohibits New State Taxes That Are Excluded From Existing Voter-Approved State Spending Limit**

Requires pre-election and recurring audits of statewide special taxes



PROP 42 **Prohibits New State Personal Property Taxes and Certain Retroactive State Taxes**

Prohibits new state taxes that tax ownership or control of personal property, or that apply retroactively based on the taxpayer's conduct.



PROP 43 **Local Taxes: Limitation**

Increases the voter-approval threshold for certain local taxes to two-thirds

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Qualified Statewide Ballot Measures



PROP 44 **Requires Community Health Clinics Spend 90% of Revenue on Program Services**

Requires specified community clinics to spend 90 percent of revenue on program services



PROP 45 **Modifies Environmental Review for Certain Projects**

Amends California Environmental Quality Act (CEQA) to expedite environmental review for certain projects

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Gubernatorial Candidates





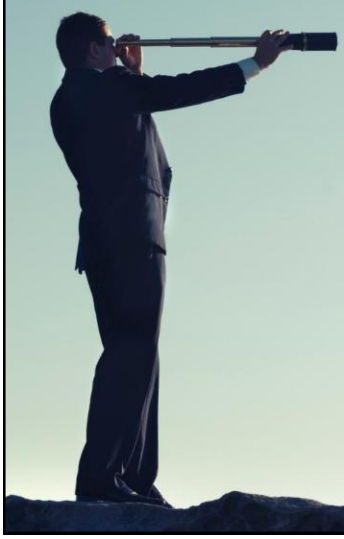
Xavier Becerra,
Former CA Attorney General



Steve Hilton,
Political Commentator

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On the Horizon



California Teachers Association (CTA) Proposition 98 Lawsuit, California School Boards Association (CSBA) to follow
– Fully fund 2025-26 minimum guarantee
– no more “settle-up” tool
– No more floor – could impact tax credits

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ALAMEDA

UNLIMITED JURISDICTION

CALIFORNIA TEACHERS ASSOCIATION, DAVID B. GOLDBERG, LESLIE LITTMAN, and ERIKA JONES,

Petitioners and Plaintiffs,

vs.

JOE STEPHENSHAW, in his official capacity as Director of Finance of the State of California; MALIA M. COHEN, in her official capacity as Controller of the State of California; and DOES ONE through FOUR,

Respondents and Defendants.

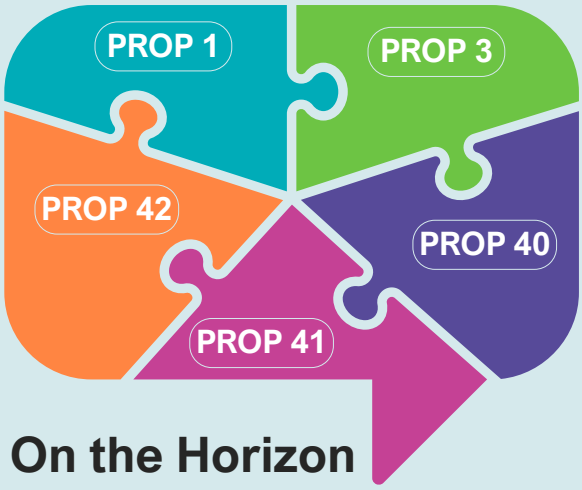
No.:

Action Filed:

VERIFIED PETITION FOR WRIT OF MANDATE AND COMPLAINT FOR DECLARATORY RELIEF



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On the Horizon

Implementing November election
Multiple complex initiatives
Potential political shift in Congress

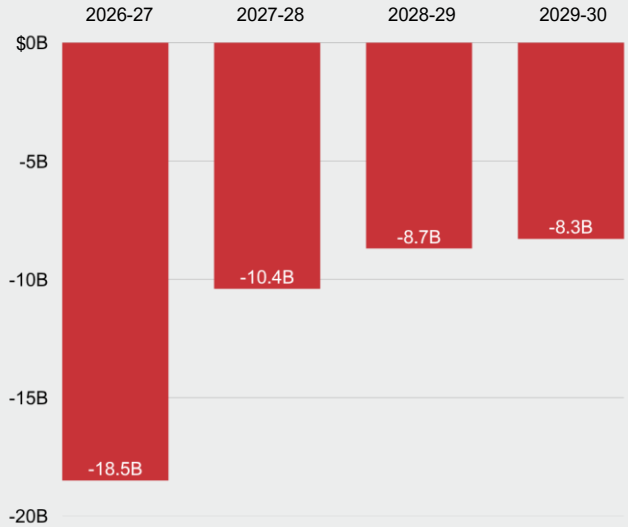


Map Source: California Senate Committee on Elections and Constitutional Amendments, Congressional Districts – AB 604 (Chapter 96, Statutes of 2025).

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California Faces Ongoing Operating Deficits

- 2026–27 operating deficit: $18.5 billion
- Ongoing spending >>> ongoing revenues
- Prior-year fund balances provide only temporary relief
- Deficits continue through 2029–30, though they narrow over time:
  - $10.4 billion in 2027–28
  - $8.7 billion in 2028–29
  - $8.3 billion in 2029–30
- Ongoing spending >>> ongoing revenues throughout the forecast period



Bar Chart Data Source: Legislative Analyst's Office, 2026–27 Budget: Overview of the Spending Plan, Figure 6 (Aug. 2026).

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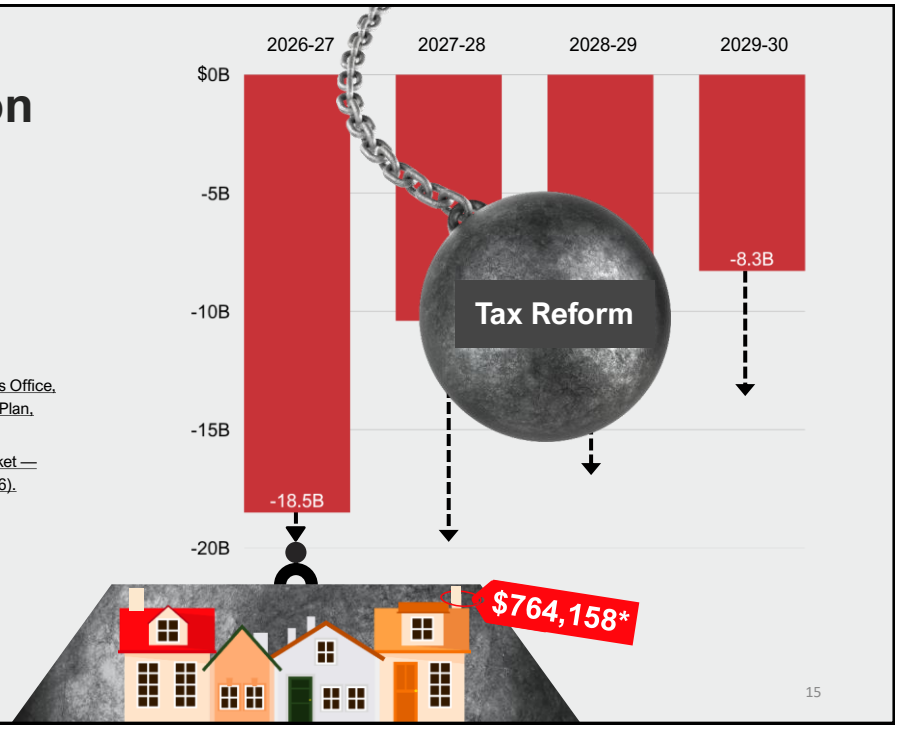
On the Horizon

Budget Battles

- Operating deficits
- Costs for housing
- Tax reform

Bar Chart Data Source: Legislative Analyst's Office, 2026–27 Budget: Overview of the Spending Plan, Figure 6 (Aug. 2026).

Data Source: Zillow, California Housing Market — Typical Home Value: $764,158 (Aug. 31, 2026).



CALIFORNIA'S COALITION for ADEQUATE SCHOOL HOUSING

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Contact



Jennifer Baker, *MWH*
(916) 441-3300
jbaker@m-w-h.com
1303 J St, Suite 520,
Sacramento, CA 95814

Jennifer Baker, MPA is a veteran legislative advocate with more than 20 years of experience in California state and local government. She specializes in education, pensions, fiscal policy, and taxation, and has represented organizations before the Legislature, state agencies, and key stakeholders throughout the state. Jennifer currently serves as a Legislative Advocate with Murdoch, Walrath & Holmes and has previously held senior advocacy and governmental affairs roles with the California Teachers Association and the California State Teachers' Retirement System. She holds a Master's degree in Public Administration from the University of Southern California.

Jennifer is a former Trustee for the Natomas Unified School District and a former President of the California Latino School Boards Association.

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Managing Projects & Program Costs



Gil Fullen
Senior Vice President

Balfour Beatty



Robin Griffin
Director of Facilities, Planning & Development

RUSD
RIVERSIDE UNIFIED SCHOOL DISTRICT

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U.S. TARIFFS AFFECTING SCHOOL CONSTRUCTION

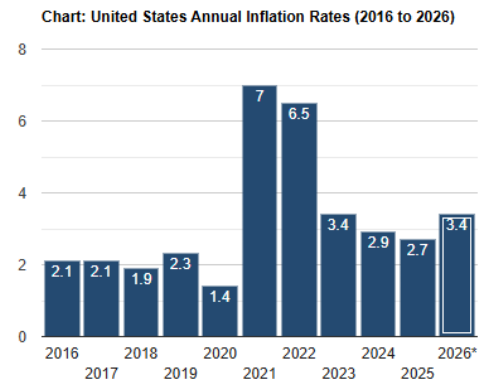
KEY TAKEAWAY **Budget exposure is concentrated in metals, fabricated assemblies, MEP equipment, wood products and quartz surfaces. Country, HTS code and quota status matter.**

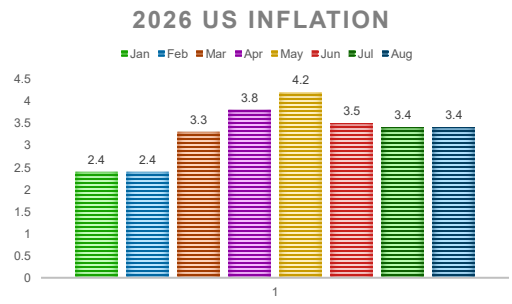
Core steel, aluminum & copper	**50%**	Structural steel, rebar, decking, sheet, pipe	Applied to full customs value
Metal derivative products	**25%**	Doors/frames, curtain wall, studs, roofing, conduit	Confirm covered HTS classification
Industrial & grid equipment	**15% through 12/31/27**	Switchgear, electrical gear, fixed/mobile equipment	Temporary reduced rate
Softwood timber & lumber	**10%**	Framing lumber and selected softwood products	Other trade remedies may stack
Cabinets, vanities & upholstered furniture	**25%**	Casework, millwork, furnishings	Rate increase delayed through 2026
Quartz surface products	**25% in-quota / 50%**	Countertops, backsplashes, vanity tops, wall surfaces	TRQ; many countries exempt
Broad Section 301 country tariffs	**10% or 12.5%**	Imported components not otherwise exempt	Section 232 articles generally exempt

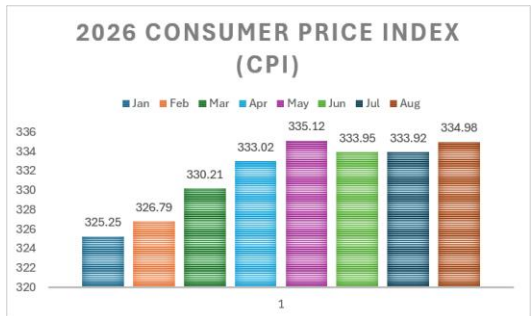
Planning guidance only. Actual duty depends on origin, HTS classification, trade-deal treatment, exclusions and quota availability.

Sources: White House, USTR, USITC, CBP

U.S. Inflation





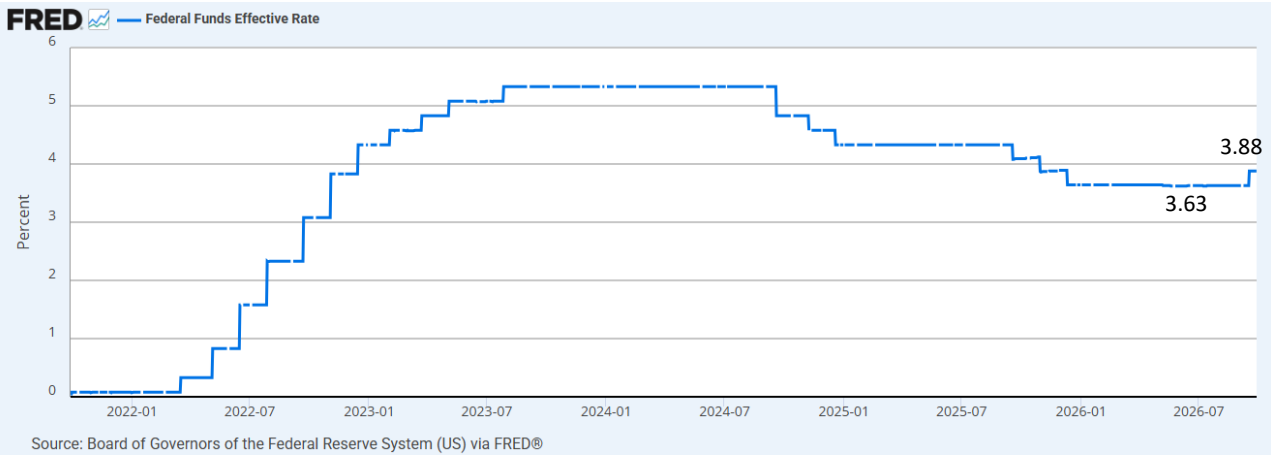


Thru Aug
2026
Next Oct 14th

Source: US Inflation Calculator

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Federal Funds Effective Rate



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Annual Inflation Rate – ENR Cost Index

ENR's 20-city average cost indexes, wages and materials prices.
Historical data for ENR's 20 cities can be found at ENR.com/economics

Construction Cost Index — ANNUAL INFLATION RATE **+3.7%** SEPT. 2026

1913=100	INDEX VALUE	MONTH	YEAR
CONSTRUCTION COST	14444.35	+0.7%	+3.7%
COMMON LABOR	26554.74	0.0%	+0.9%
WAGE $/HR.	50.45	0.0%	+0.9%

The Construction Cost Index annual escalation rose 3.7%, while the monthly component increased 0.7%.

Building Cost Index — ANNUAL INFLATION RATE **+5.6%** SEPT. 2026

1913=100	INDEX VALUE	MONTH	YEAR
BUILDING COST	9099.54	+1.0%	+5.6%
SKILLED LABOR	12513.54	0.0%	+1.2%
WAGE $/HR.	69.45	0.0%	+1.2%

The Building Cost Index was up 5.6% on an annual basis, while the monthly component increased 1%.

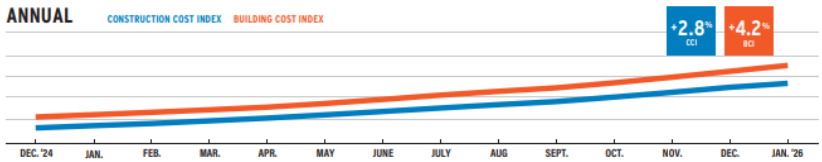
Materials Cost Index — MONTHLY INFLATION RATE **+2.2%** SEPT. 2026

1913=100	INDEX VALUE	MONTH	YEAR
MATERIALS COST	7021.86	+2.2%	+10.9%
CEMENT $/TON	308.97	+2.6%	+1.6%
STEEL $/CWT	144.24	+7.4%	+21.1%
LUMBER $/MBF	928.76	+1.7%	+16.3%

The Materials Cost Index increased 2.2% in September.

Source: ENR Weekly Econ Update Sept - Week 4 - 2026

Inflation's Pulse Year-to-year and monthly percent changes for ENR's cost indexes



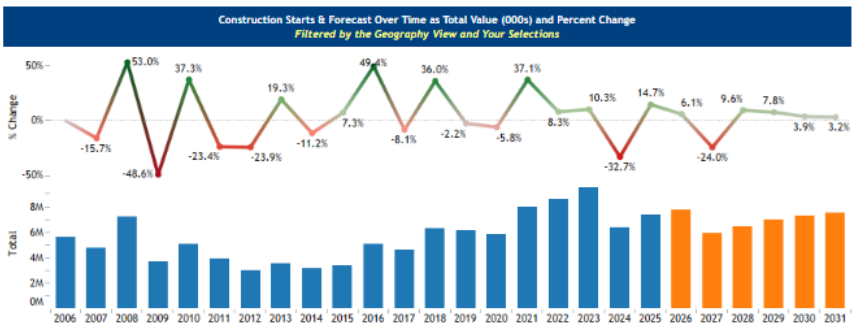
Source: ENR Weekly Econ Update Week 1 Jan 2026

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Bond Markets

Election Year	Total Bonds	Total Passed	# of Bonds	% Passage
Nov-26	12.1B K-12 5.2 B CCDs	TBD	94	TBD
	1.684 B K-12	16 at 1.058B of 2.7B	26	62%
Jun-26	1.018 B CCD			
	2.7 B Bonds			
Nov-24	49.9B	$36.4B K-12	192/252	76%
	w/CCDs	$9.9B CCD's	14/15	93%
Mar-24	3.9 B	2.96B	24/40	60%
Nov-22	22.6B	20.69B	71/100	71%
Jun-22	1.77B	1.5B	15/21	71%
Nov-20	13.3B	12.1B	48/60	80%

Education Markets



Selected Concept	10	2025	2026	2027	2028	2029	2030	2031
Fresno, CA	47	99,300	121,636	164,288	200,234	232,421	253,732	266,424
Los Angeles-Long Beach-Anah..	95	2,939,312	2,309,406	1,821,677	1,947,639	2,056,212	2,101,011	2,148,657
Oxnard-Thousand Oaks-Ventu..	57	151,549	145,595	112,349	122,038	130,613	134,990	138,635
Riverside-San Bernardino-Ont..	02	1,147,016	910,712	726,002	759,889	790,688	799,713	817,055
Sacramento--Roseville--Arden..	59	478,881	419,807	385,021	410,787	431,991	448,902	464,838
San Diego-Carlsbad, CA	49	1,083,572	1,199,779	1,058,920	1,184,735	1,296,069	1,360,459	1,405,225
San Francisco-Oakland-Haywa..	54	1,091,285	2,369,713	1,309,187	1,493,086	1,665,216	1,769,887	1,854,960
San Jose-Sunnyvale-Santa Cla..	08	323,496	287,463	323,638	349,511	370,784	379,879	387,566

Source: Dodge Data Analytics Q2

CONSTRUCTION MATERIALS PRICE MOVEMENT IN 2026

		FEB	MAR.	APR.	MAY	JUN.	JUL.	AUG.	
AGGREGATES	MONTHLY % CHG.	+4.0	−0.8	+5.4	+0.6	−0.7	+6.4	−1.9	
	ANNUAL % CHG.	−1.7	−6.8	+0.9	+4.8	+6.1	+15.0	+11.8	+11.8
ALUMINUM SHEET	MONTHLY % CHG.	—	—	—	—	—	—	—	
	ANNUAL % CHG.	—	—	—	—	—	—	—	
ASPHALT PAVING	MONTHLY % CHG.	−0.1	−0.2	−6.7	+3.6	+0.6	+0.3	+0.4	
	ANNUAL % CHG.	−3.5	−3.7	+0.8	+6.5	+6.9	+7.1	+7.7	+7.7
CEMENT	MONTHLY % CHG.	+0.2	0.0	+0.6	−0.1	0.0	−0.5	0.0	
	ANNUAL % CHG.	−0.1	−0.6	−0.2	−0.7	−0.7	−1.2	−1.2	
CONCRETE PIPE	MONTHLY % CHG.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	ANNUAL % CHG.	−1.3	+0.6	+0.5	+0.6	+1.2	+1.5	+1.2	
COPPER PIPE	MONTHLY % CHG.	+1.5	+0.3	−0.1	+5.9	+0.5	−1.5	+3.8	
	ANNUAL % CHG.	+22.5	+22.1	+17.9	+26.9	+25.7	+18.6	+24.4	+24.4
DIESEL FUEL	MONTHLY % CHG.	+18.5	+38.4	+13.0	+17.6	−18.2	−2.5	+17.7	
	ANNUAL % CHG.	+1.0	+50.6	+71.9	+101.6	+65.7	+46.4	+77.8	+77.8
FABRICATED STEEL	MONTHLY % CHG.	+0.9	+0.3	−0.7	−2.3	+0.8	+1.6	+1.6	
	ANNUAL % CHG.	+9.7	+6.3	+4.1	+1.1	+1.1	+3.7	+4.3	+4.3
GYPSUM PRODUCTS	MONTHLY % CHG.	+0.1	−0.3	+0.1	−1.1	+0.5	+0.8	+0.6	
	ANNUAL % CHG.	−1.2	−1.8	−1.2	−2.1	−1.5	−0.6	−0.1	
LUMBER, SOFTWOOD	MONTHLY % CHG.	+4.0	−0.8	+5.4	+0.6	−0.7	+6.4	−1.9	
	ANNUAL % CHG.	−1.7	−6.8	+0.9	+4.8	+6.1	+15.0	+11.8	+11.8
PLYWOOD	MONTHLY % CHG.	+0.6	+1.4	+2.8	+1.9	+1.4	+0.9	+1.5	
	ANNUAL % CHG.	+0.6	+0.3	+4.0	+5.8	+9.0	+9.5	+10.7	+10.7
PVC PRODUCTS	MONTHLY % CHG.	−0.2	+0.4	+0.6	+2.3	+0.9	+0.4	−0.2	
	ANNUAL % CHG.	+0.8	+1.3	+1.4	+3.2	+4.3	+4.9	+4.8	
READY-MIX CONCRETE	MONTHLY % CHG.	0.0	+0.2	+0.5	+0.3	+0.5	−0.3	+0.1	
	ANNUAL % CHG.	+0.1	+0.6	+1.8	+1.7	+2.2	+2.3	+2.3	
SHEET METAL	MONTHLY % CHG.	+0.8	+1.0	+1.0	+0.8	+0.7	+0.5	+0.6	
	ANNUAL % CHG.	+6.2	+5.9	+6.0	+5.9	+5.5	+5.9	+6.5	+6.5
EQUIPMENT	MONTHLY % CHG.	+0.3	0.0	+0.1	+0.1	0.0	+0.7	0.0	
	ANNUAL % CHG.	+5.0	+4.9	+4.0	+3.5	+2.4	+2.7	+2.3	

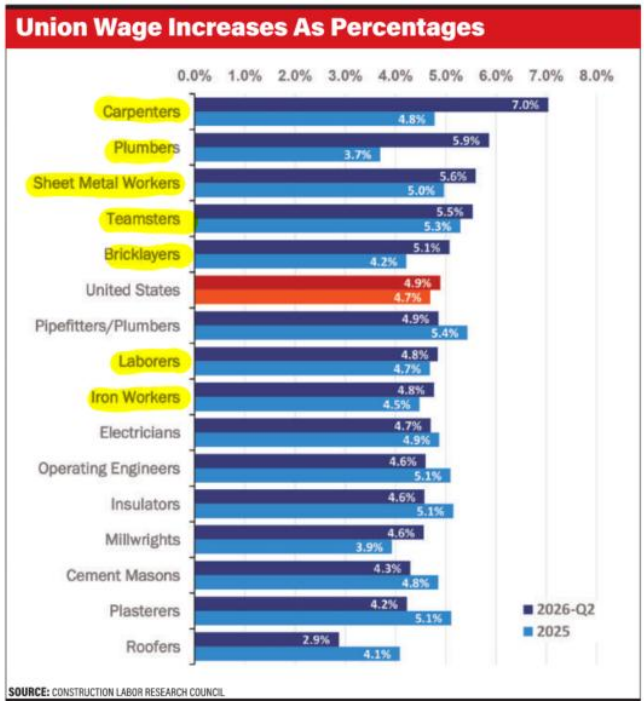
SOURCE: BUREAU OF LABOR STATISTICS. MONTHLY AND YEAR-TO-YEAR PERCENT CHANGES FOR PRODUCER PRICE INDEXES FOR LATEST EIGHT-MONTH PERIOD. ENR Q3 Report

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PROSPECTS IN INDIVIDUAL SECTORS BY FIRMS WORKING IN THOSE MARKETS

		CURRENTLY (%)			3-6 MONTHS (%)			12-18 MONTHS (%)		
	NUMBER OF FIRMS	DECLINING ACTIVITY	STABLE ACTIVITY	IMPROVING ACTIVITY	DECLINING ACTIVITY	STABLE ACTIVITY	IMPROVING ACTIVITY	DECLINING ACTIVITY	STABLE ACTIVITY	IMPROVING ACTIVITY
COMMERCIAL OFFICES	56	55	34	11	52	30	18	32	43	25
DISTRIBUTION, WAREHOUSE	39	5	51	44	5	49	46	8	49	44
EDUCATION K-12	46	13	76	11	11	78	11	17	63	20
ENTERTAINMENT, THEME PARKS, CULTURAL	25	28	52	20	20	52	28	16	44	40
HOSPITALS, HEALTH CARE	52	2	67	31	2	67	31	2	52	46
HIGHER EDUCATION	52	29	63	8	27	61	12	27	60	13
HOTELS, HOSPITALITY	36	25	61	14	22	64	14	17	64	19
MULTI-UNIT RESIDENTIAL	42	33	36	31	26	38	36	17	45	38
RETAIL	34	32	62	6	24	71	6	21	59	21
INDUSTRIAL, MANUFACTURING	41	8	48	45	7	37	56	5	37	59
TRANSPORTATION	33	12	53	34	6	56	38	6	42	52
WATER, SEWER AND WASTE	20	0	55	45	0	45	55	0	45	55
POWER	19	0	17	83	0	16	84	0	11	89
PETROLEUM, PETROCHEMICAL	10	0	50	50	10	50	40	0	56	44
ENVIRONMENTAL, HAZARDOUS WASTE	9	33	44	22	22	56	22	22	33	44

SOURCE: ENR/BNP MEDIA. FIGURES MAY NOT ADD UP TO 100% DUE TO ROUNDING enr.com September 28, 2026





FUNDING STRATEGY

Revenue Stacking

Know your funding sources — and their restrictions

SFP Match

Several programs; fund release can end up being reimbursement.

VAPA, ELOP, LCAP

Targeted programmatic funding.

General Obligation Bonds

Spend in alignment with bond ballot language / project list.

Developer Fees / CFDs

Can be restricted where it is spent.

Redevelopment

Successor agencies still distributing funds.

Other Grants

Caution: read the fine print.

DISCIPLINED BUDGETING

Project vs. Construction Budget

Distribution

20–25%

Soft Costs

- Architecture and engineering
- DSA / Agency fees
- Testing and inspections
- Project contingencies

75–80%

Hard Costs

- Site work and demolition
- Building structure
- MEP systems
- General conditions and bonds

DISCIPLINED BUDGETING

Project vs. Program Budget

Key Differences

Project

- Single Lifecycle - Shorter Timeframe
- More precise as design progresses
- Expenditures follow the project schedule
- Deliver project within approved scope/cost/schedule

Program

- Multi-year, often 5-10+ years
- Uncertainty across many projects
- Timing of expenditures across entire program
- Program level risk if several projects experience increases at same time, consuming funds for other projects later in the program

DISCIPLINED BUDGETING

Managing the Budgets

Keep cost control active from concept through bidding

01 Conceptual Phase

- Clear guardrails on who has influence over scope
- Square-footage estimates — ask around

02 Pre-Construction

- Validate budgets along the way — SD, DD, CD
- Require QA/QC by architect
- Detailed constructability reviews
- Schedule / phasing

03 Bidding

- Alternates
- Timing of project
- CM/GC bidding outreach

BUDGET CONTROL

Why Budgets Fail

01 **Scope Creep**
Confusing project wants with programmatic needs

02 **The “Rush Fund”**
Skipping vital design phase reviews

03 **Stale Assessments**
Failing to update 5-year planning costs

BOARD COMMUNICATION

Navigating Hard Conversations

Make the issue understandable — and pair it with a path forward

Transparency

- Roadmap to Board approvals of projects
- Communicate early & often
- Provide current / forecasted market conditions in facility updates so the Board is aware of volatility, inflation, and escalation — an "early warning system"

Categorize Variances

- Separate market escalation from scope changes when feasible
- Tie cost increases to the CCCI to remove subjective debate about whether costs were managed well
- Compared with the CCCI, costs are framed against real economic conditions: supply chains, tariffs, labor shortages
- You may even outperform the market — reframe the conversation

Mitigation

- Pair variances with proactive recovery plans
- Material procurement / product changes / pre-purchase
- Aggressive bid packaging
- Timing of project / phasing
- Value engineering

SUMMARY

Delivering on Facility Promises Using Best Practices

Establish Baseline Discipline:
Define clear programmatic scopes early and validate costs at every major design milestone to prevent budget erosion

Maximize Revenue Efficiency:
Strategically stack GO bonds, state matches, and local fees while maintaining strict compliance with specific funding restrictions

Anticipate & Mitigate Volatility:
Utilize constructability reviews, bid alternates, and value engineering to protect the budget against market fluctuations

Maintain Stakeholder Trust:
Lead Board communications with transparency, separating market realities from scope changes, and always present actionable recovery solutions alongside budget variances

PRECONSTRUCTION: AN INVESTMENT THAT PAYS OFF

Plan Smarter. Build Better. Save More.

INVEST EARLY
SAVE BIG
AVOID CHANGE ORDERS
DELIVER GREATER VALUE

COST ESTIMATING & BUDGET VALIDATION
Accurate, detailed estimates and ongoing cost modeling to keep the project on budget.

PROJECT FEASIBILITY & SITE ANALYSIS
Evaluate site conditions, zoning, and constraints to identify risks and opportunities early.

VALUE ENGINEERING
Explore alternative materials, systems, and methods to achieve the same (or better) outcomes for less cost.

PROGRAMMING & GOAL SETTING
Define scope, priorities, budget, and success criteria to align the entire team.

CONSTRUCTABILITY REVIEW
Involve builders early to ensure designs are practical, efficient, and cost-effective.

PRECONSTRUCTION SERVICES
STRATEGY TODAY. GREATER SAVINGS TOMORROW.

MARKET CONDITIONS & PROCUREMENT STRATEGY
Leverage market insights, early trade partner engagement, and strategic sourcing to lock in the best value.

SCHEDULE PLANNING & PHASING
Develop realistic schedules that reduce delays, optimize resources, and minimize escalation costs.

RISK ASSESSMENT & MITIGATION PLANNING
Identify potential issues early and develop proactive solutions to avoid costly surprises.

COLLABORATION & EARLY TRADE PARTNER ENGAGEMENT
Bring key stakeholders together early to solve challenges, drive innovation, and capture savings.

THE RESULT:

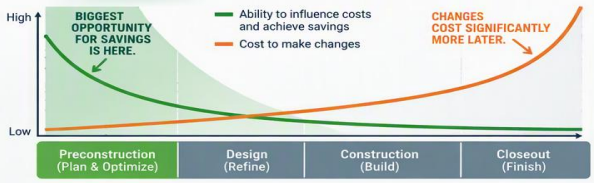
- Lower overall project costs
- Fewer change orders
- Reduced risk
- Better decision making
- Higher quality outcomes
- A more predictable schedule
- Maximum value for your investment

PRECONSTRUCTION IS NOT A COST. IT'S A STRATEGIC INVESTMENT.

The best way to save on project costs is to manage them early — when you have the most control and the greatest opportunity to make an impact.

THE EARLIER YOU ACT, THE MORE YOU SAVE.

Costs to make changes increase dramatically as a project progresses. Investing in preconstruction helps you make the right decisions early — when it's easier and less expensive.



PLAN TODAY.
PROTECT TOMORROW.
BUILD A BETTER BOTTOM LINE.

MANAGING COSTS DURING CONSTRUCTION

STAY ON BUDGET. MINIMIZE COST IMPACTS. DELIVER SUCCESS.

DISCIPLINE TODAY. A STRONGER TOMORROW.

STRONG PROJECT LEADERSHIP
Experienced teams, clear communication and accountability keep costs and decisions on track.

CONTRACT ADMINISTRATION
Manage contracts, submittals, RFIs, and change orders rigorously to prevent unnecessary costs.

CHANGE ORDER MANAGEMENT
Evaluate, price, and negotiate changes promptly. Keep a clear record and maintain scope discipline.

FIELD OVERSIGHT
Active site supervision ensures work is built correctly, safely, and in accordance with the documents — reducing rework and costly mistakes.

EXECUTE. MONITOR. ADAPT. STAY ON BUDGET.
Proactive cost management during construction keeps your project on track and protects your investment.

SCHEDULE MANAGEMENT
Keep construction on schedule to avoid extended general conditions, overtime, and escalation costs.

CONTINUOUS COST MONITORING
Track actual costs vs. budget in real time. Identify trends and address potential overruns early.

TRADE PARTNER COLLABORATION
Maintain open communication, solve issues together, and drive cost-effective solutions in the field.

RISK MANAGEMENT
Anticipate and mitigate issues such as site conditions, supply chain disruptions, and labor constraints.

VALUE ENGINEERING IN THE FIELD
Continuously look for smarter, more cost-effective ways to achieve the same (or better) results without compromising quality.

QUALITY & SAFETY
Build it right the first time. A safe, high-quality jobsite reduces rework, delays, and unplanned costs.

PROCUREMENT & SUPPLY CHAIN MANAGEMENT
Manage material pricing, delivery schedules, and substitutions to minimize cost impacts from market changes.

THE RESULTS:

- Project stays within budget
- Fewer change orders
- Minimized cost impacts
- On-time completion
- Higher quality outcomes
- Safer jobsite
- Greater overall value

CONTROL COSTS TODAY. DELIVER VALUE TOMORROW.

"IT'S NOT JUST ABOUT MANAGING COSTS. IT'S ABOUT PROTECTING YOUR VISION."

RIGHT DECISIONS. | STRONG PARTNERSHIPS. | DISCIPLINED EXECUTION. | SUCCESSFUL PROJECTS.

ON BUDGET. ON TRACK. A BRIGHTER TOMORROW.

Managing Projects & Program Costs Questions?



Gil Fullen
Senior Vice President



Robin Griffin
Director of Facilities, Planning & Development

Balfour Beatty

RUSD
RIVERSIDE UNIFIED SCHOOL DISTRICT

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Thank You!

CSFRI & BELLWETHER STUDY ANALYSIS

Investing in California's School Facilities

How Local General Obligation Bonds Shape Student Learning Outcomes

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Study Scope & Analytical Rigor

15-Year Horizon

Analyzed local GO bond elections across California school districts from SY 2009-10 through SY 2023-24.

$116 Billion Scope

Evaluated 1,123 bond proposals, capturing $116B in total passed capital construction and modernization funds.

Causal RDD Model

Utilized Dynamic Regression Discontinuity Design (RDD) comparing narrow passes (≥55%) vs. narrow fails (<55%).

Rethinking Facility Investments

HISTORICAL PERSPECTIVE

Pure Infrastructure Overhead

Policy debates historically treated capital facility funding as local physical infrastructure or administrative overhead, detached from core classroom instruction.

EMPIRICAL PROOF

Direct Academic Driver

Empirical evidence settles the debate: modern school facilities directly improve student test scores and serve as essential educational infrastructure.

Core Finding: Significant Academic ROI

+0.14

Std. Deviation Gain

Sustained academic lift in bond-passing districts

Equivalent to 3 to 4 Months Extra Learning

Districts that authorized local GO bonds experienced sustained gains of **0.12 to 0.14 standard deviations** in standardized student test scores.

60 to 70 Instructional Days

Based on national research benchmarks, this increase equates to over three months of additional learning growth for students in modernized spaces.

Timeline: From Ballot to Classroom

1

Years 0 – 1

Authorization: Voter approval (≥55%), project design, procurement, and leveraging State Match funds.

2

Years 2 – 3

Construction Surge: Peak CapEx activity. Major deployments in HVAC, roofing, seismic, and technology.

3

Years 4 – 6

Academic Gains: Upgraded facilities complete. Test scores rise significantly (+0.12 to +0.14 SD).

4

Long-Term

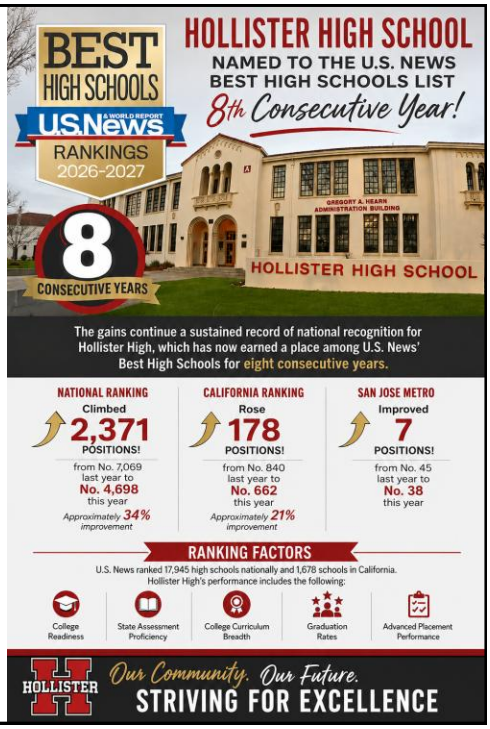
Sustained Value: Compounding learning gains, higher health safety, and enhanced community property value.

Case Study: Sustained Value

DATA FROM HOLLISTER HIGH SCHOOL

The 2nd Largest High School by Student Enrollment in Northern California

2026 Graduation Rate	2025-2026 Attendance Rate
95.49%	95.10%
2025-2026 AP Exam Pass Rate	**2025-2026 AP Exam Avg Score**
83%	3.27



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Action Plan for Industry Partners

1. Leverage Proof

Use CSFRI causal research in local bond campaigns to reframe school facility investments as direct drivers of student test scores.

2. Prioritize Core Assets

Guide district master plans toward core health, HVAC, lighting, and acoustic retrofits—the key drivers linked to academic gains.

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44

Thank you

Building Brighter Futures Through Research-Backed Facility Investments

www.cashnet.org CSFRI & Bellwether Study

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45

Construction Delivery Models

An Overview and Best-Practices

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CHALLENGES IN THE INDUSTRY

- DSA Workload
- Code Cycle Changes
- Bonds & Project Market
- Skilled Labor Shortages
- Material & Equipment Lead Times
- Geo-Politics (Raw Materials & Oil)

Market Cost data

Snapshot 3/9/26 tradingeconomics.com



	Price			Day	Month	Year	Date
Crude Oil	87.324	▲	3.874	4.64%	39.75%	29.76%	09:32
Brent	92.067	▲	4.267	4.86%	36.73%	30.12%	09:32
Natural gas	3.1438	▲	0.1238	4.10%	-1.99%	-22.80%	09:32
Gasoline	2.7750	▲	0.1347	5.10%	45.38%	29.43%	09:32
Heating Oil	3.6585	▲	0.3119	9.32%	53.28%	66.16%	09:32
Coal	131.10	▼	-12.70	-8.83%	14.10%	24.98%	Mar/10

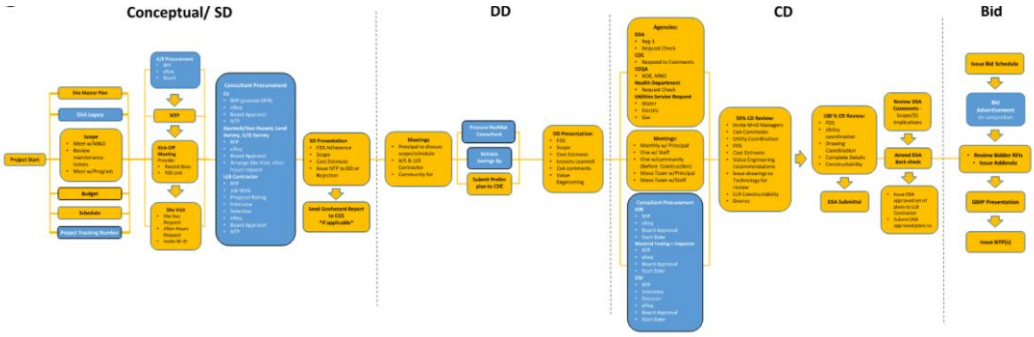
Snapshot 9/29/26 tradingeconomics.com



	Price			Day	Month	Year	Date
Crude Oil	89.474	▼	3.126	-3.38%	24.72%	63.34%	11:39
Brent	102.788	▼	2.492	-2.37%	19.00%	57.93%	11:39
Natural gas	3.0156	▼	0.0904	-2.91%	8.22%	-6.19%	11:38
Gasoline	3.2753	▼	0.0624	-1.87%	4.94%	67.75%	11:39
Heating Oil	4.8945	▲	0.1392	2.93%	17.93%	118.63%	11:39
Coal	146.85	▲	0.10	0.07%	13.57%	44.68%	Sep/14

Project Planning Challenges

- Know your **scope.** Clearly articulate your project goals.
- Set a realistic **budget** with <u>all</u> associated cost (Hard & Soft).
- Establish a **schedule** that makes sense, but also meets timelines.



Timing and Execution – Bidding Best Practices

- Early is always better… What is “early?”
  - November/December for Summer work
- Board Timing & Designated Authority
- Sufficient Bidding Period (3-4 weeks min.)
- Early Prequal Effort
  - Clarify “B” License… holding vs. **utilizing**

Delivery Model and Risk Allocation

- Which method matches the project's risk, schedule, scope, and District capacity/ability?

Design-Bid-Build
- Low Bid
- Change Order %
- Lowest Quality

CM Multi Prime
- Low Bid
- High Coordination
- Better Quality

Lease-Leaseback
- Collaborative
- Best Value
- High Quality

Design-Build
- Collaborative
- Design + Construction Integrated
- High Quality

Relationship Structures

Design-Bid-Build	CM Multi-Prime	Lease-Leaseback	Design-Build
District holds contract with General Contractor & Architect	District holds contracts with Prime Contractor's, Construction Manager, and Architect	District holds contracts with the leaseback entity and the architect. Leaseback entity holds the subcontracts.	District holds the contract with the DB entity. DB entity holds the contract with the architect and subs.

OWNER CONTROL

Generally, increases as district holds more contracts – but so does administration…

INTEGRATION

Generally, increases as design and construction responsibilities are combined.

RISK TRANSFER

Integration can shift coordination risk, if the contract documents clearly call for it.

Preconstruction Services (CM, LLB, DB)

Pro's:
- Collaboration
- Value Engineering
- Procurement Strategy
- Estimating (Stages)
- Scheduling, Phasing
- Construability Reviews
- Scoping Documents
- Risk ID & Allocation
- Less Changes During Construction

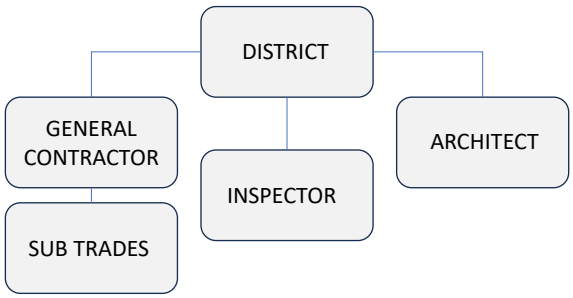
Con's
- Cost
- Quality
- Perceived Conflict (Sub Trades)
- Value Argument

Design-Bid-Build

Core Public School Contracting Method: PCC 20111

Advantage: Simple, Transparent Procurement, Clear separation between district, designer, and builder

Challenge: Low bid award, district manages design vs. construction
- No Inherent Pre-Construction Services
- Is the design sufficient to bid prior to contractor input?

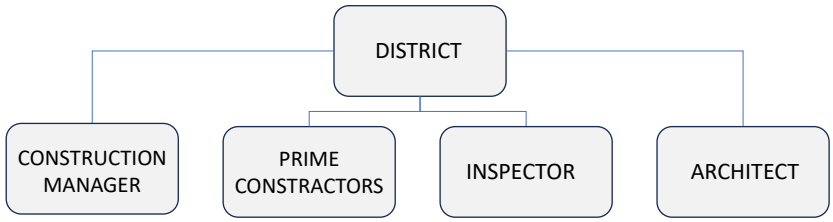


CM Multi-Prime

Follows PCC 20111… Construction Manager hired through a professional services agreement

Advantage: Transparent Procurement, Addition of Construction Manager (Scope, Schedule, Manage)

Challenge: Low bid award
- District becomes the hub for multiple contracts and requirements
- Higher responsibility for coordination, scheduling, change management, and billing
- Higher Overhead

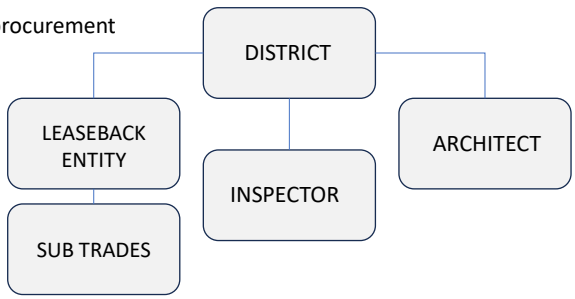


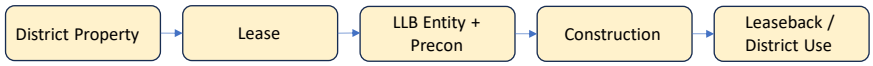
Lease-Leaseback

More Sophisticated Contracting Method: Ed. Code 17406

Advantage:
- Early contractor input, collaborative, best value procurement
- Early procurement of equipment & materials

Challenge:
- Requires technical district staff
- Skilled & Trained Workforce; labor shortages
- Volume of LLB projects in the K12 market
- Higher Overhead





Design-Build

Most Sophisticated Contracting Method

One team is responsible for design & construction based on District defined project requirements/program.

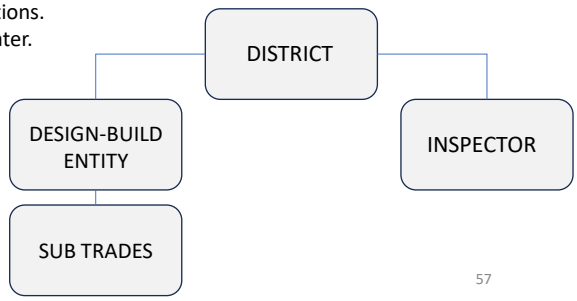
Two Methods…

"Best Value" Ed. Code 17250.20 – 17250.25

- Teams compete on design approach, qualifications and price… or stipulated sum.

"Progressive/Alternative" Ed. Code 17250.60 – 17250.69

- District selects a team based on qualifications.
- Develop Design and price is established later.



Design-Build Cont.

Advantage:

- Combining Design & Construction Creates Potential for ***Lower*** District Risk
- Ability to Fast-Track Project(s)
- Early Phased Procurement
- Collaborative & Integrated Project Delivery

Challenge:

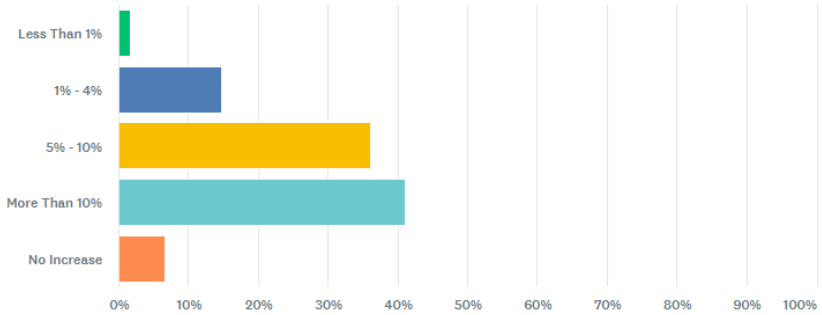
- Requires Highly Skilled Staff
- Requires Clearly Defined Goals/Program
- Requires Agreement on Final Price
- Still Requires District Involvement/Engagement
- Cost Effectiveness
- Skilled & Trained Workforce

Trade Contractor survey

	2018	2026
School District	5.1	7.2
Architect	5.4	6.4
GC/CM	8.4	9.1
Delivery Method	6.2	7.6
Quality of Plans & Specs	7.6	8.8
Complexity of Project	6.8	6.3
Type of Project	4.5	5.5
Project Location	7.3	6.8
Onerous Contract Provisions	8.5	7.9
Project Bid & Start Time	7.7	6.8
Backlog	7.5	5.9
Labor Force	6.8	7.7
Bonding	3.1	2.8

Trade Contractor survey

Assuming the project has multiple negative aspects based on factors in the previous question, what percentage price increase could be expected on bid day?



Becoming a Preferred District

- Reasonable Approval and Payment (35 days)
- Timely Issuance, Approval and Payment of Changes
- No Re-Negotiating Time & Material Changes
- Reasonable Construction Timeframes
- Timely Decisions
- Follow the Documents

Become a Preferred Partner



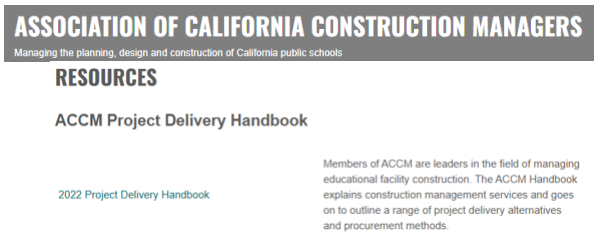
- Experienced and Knowledgeable Staff
- "True" Partnership Approach
- Open Communication
- Transparency – No Surprises
- Proactive Problem Solving
- Budget Conscious
- No Sales Pitch… Just do your job.
  - ❖ We don't need to hear how good you are, we want to see how good you are.

Become a Preferred Partner

The district's core mission is educating students…

Construction is not the mission, it supports it.

Which Model is the Best?



https://accm.com/accm-project-delivery-handbook/

Q&A

Jacob Romero
Director, Facilities Planning & Development, Moreno Valley USD
jromero@mvusd.net

Nick Mierau
CEO, Neff Construction
Officer, ACCM
nick@neffcon.com

Shifting School Demographics

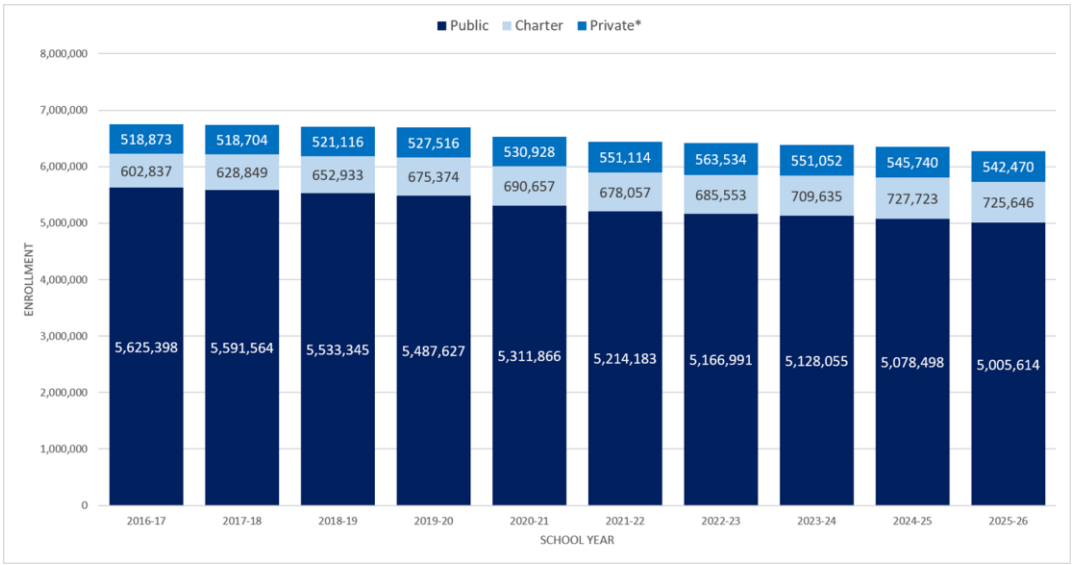


Jeremy Cogan
Director of Planning & Design
Santa Ana Unified School District



Rob Murray
Director of Demographics
King Consulting

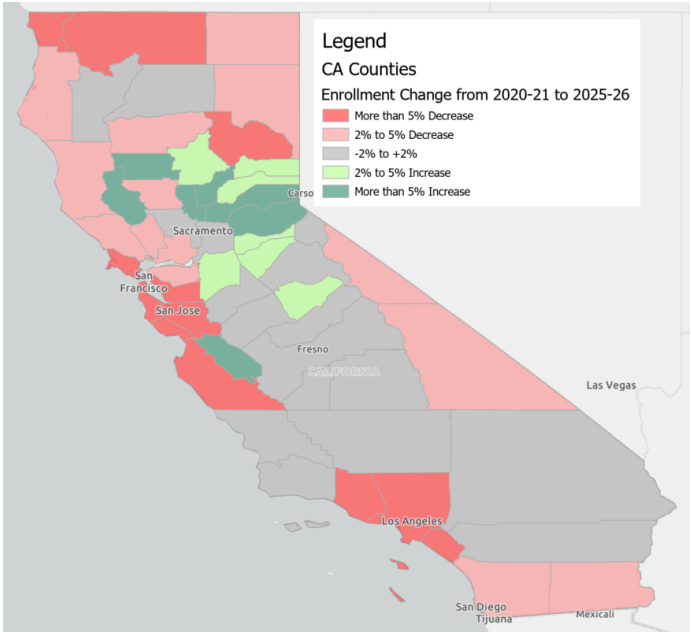
California Enrollment Trends



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*Includes enrollment at schools with fewer than 6 students
Source: California Department of Education

The Bottom Line Isn't the Whole Story!



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Projecting the Future

Where Do New Students Come From?

- Existing Resident Births



- Movement into Existing Housing



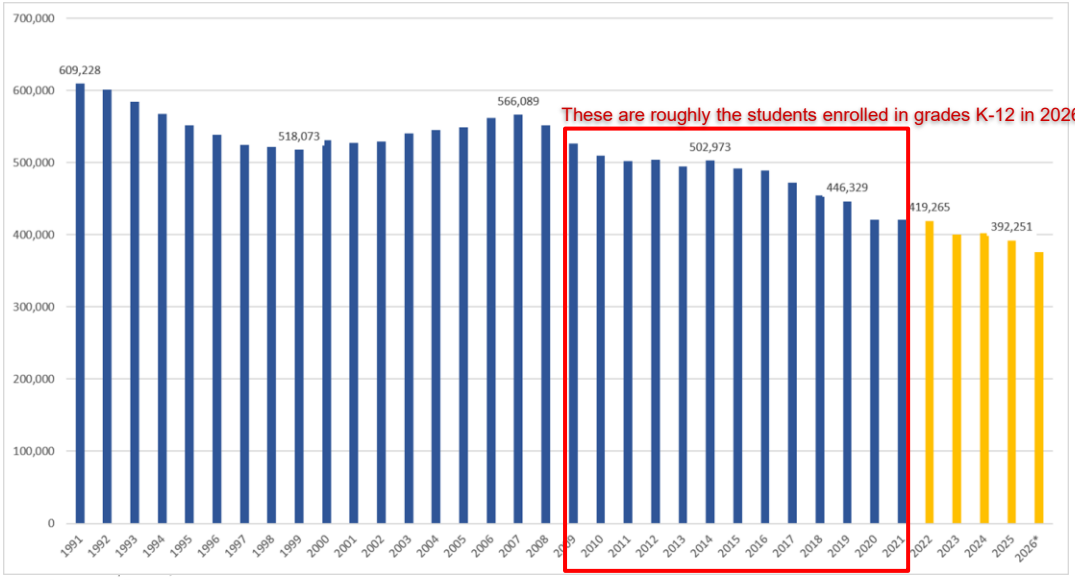
- Movement into New Homes (Residential Development)



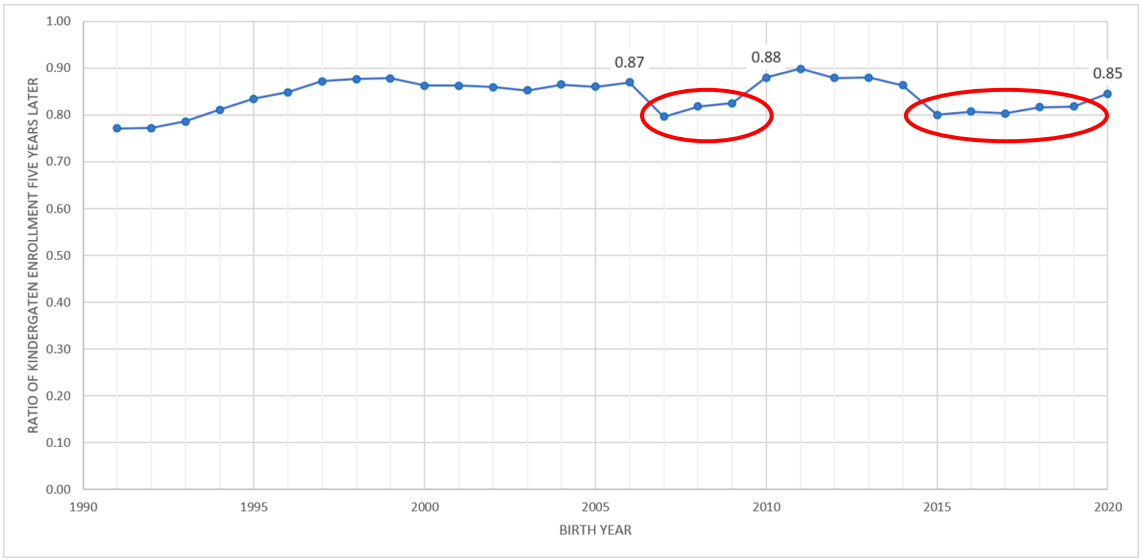
- Other Districts



California Birth Trends

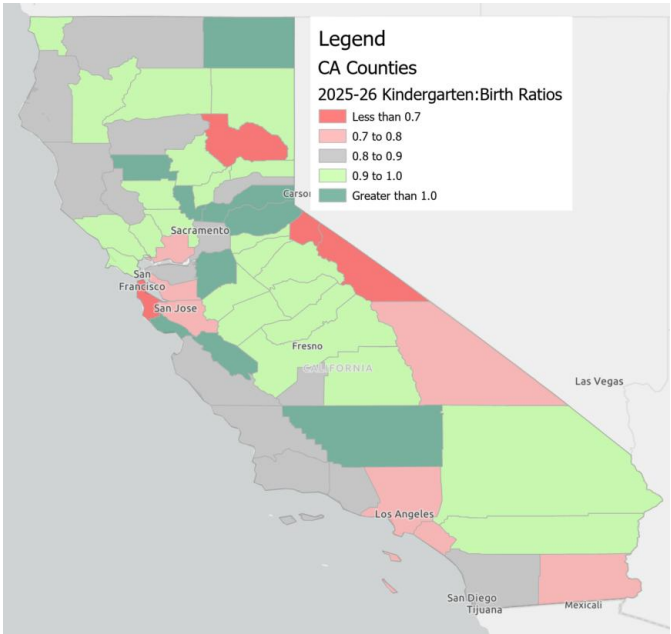


But What Do Those Births Mean for Enrollments?



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But Again, It Matters Where You Are



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Facilities Impacts of Declining Enrollment, Or Finding Opportunities Amidst the Challenges

Lower Budgets

Facilities Efficiency

Consolidation

Maintenance Backlog

Portable Removals

Charter Applications

Boundary Adjustments

Facility Re-Use

Transportation

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Declining Enrollment: The SAUSD "Optimization" Story

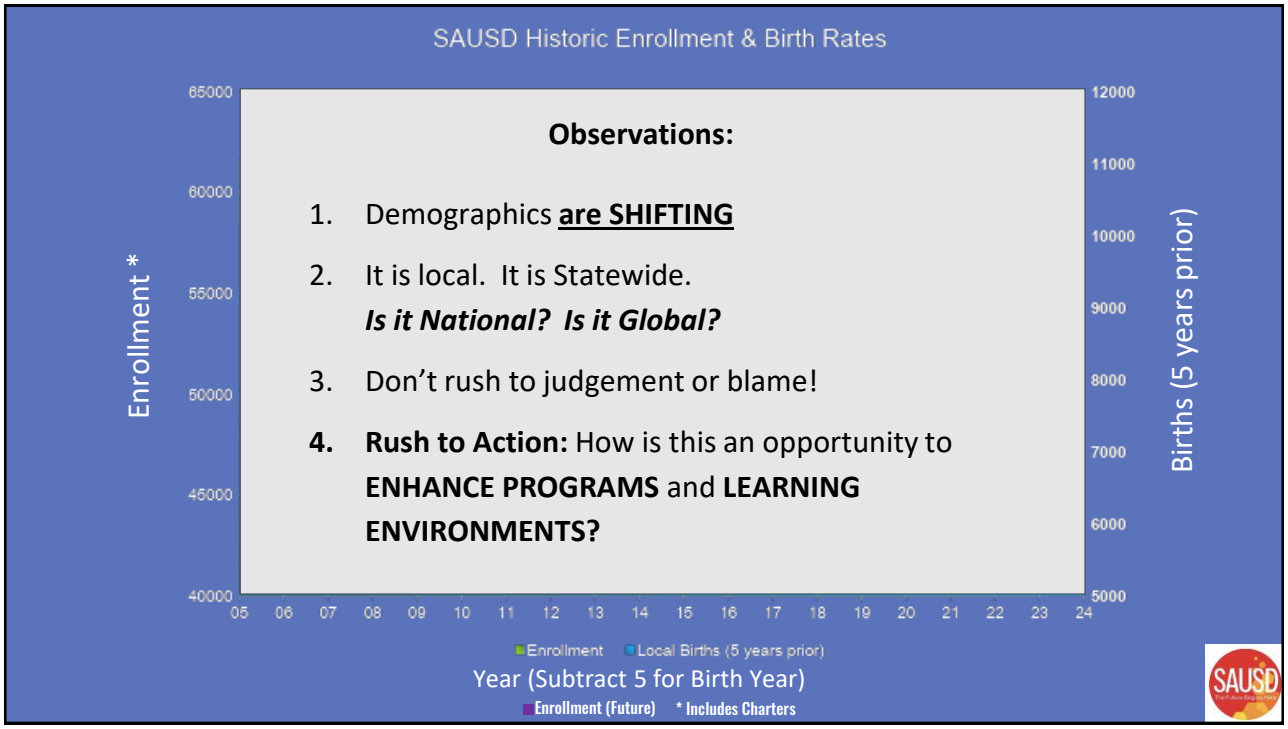
PHASE I
2017-2019

PHASE II
2020-2022

PHASE III
2023-2025

Optimization: Responsibly aligning bond investments, maintenance needs, and enrollment realities to deliver the best possible learning environments for every student.

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Demographics are changing!

The New York Times

May 22, 2021

Long Slide Looms for World Population, With Sweeping Ramifications: Fewer babies' cries. More abandoned homes. Toward the middle of this century, as deaths start to exceed births, changes will come that are hard to fathom.

All over the world, countries are confronting population stagnation and a fertility bust, a dizzying reversal unmatched in recorded history that will make first-birthday parties a rarer sight than funerals, and empty homes a common eyesore.

Los Angeles Times

December 18, 2021 CALIFORNIA

California population continues decline, driven by lower immigration, fewer births and pandemic deaths

California's population has continued to decline after falling for the first time on record, new demographic data show — underscoring shifting immigration patterns, declining birthrates and the large number of deaths at the hands of the pandemic.

THE ORANGE COUNTY REGISTER

April 11, 2022 NEWS

California public school student enrollment drops to lowest in two decades

Enrollment in California public schools dropped to its lowest level in more than 20 years, and local districts are faced with tough decisions about how to deal with the declines.

But few administrators seemed shocked by the numbers because they followed trends from the past several years; districts have prepared for what they're seeing.

Santa Ana Response



Better Programs. Better Spaces.



- Retain & attract students
- Repurpose for other (growing) District needs:

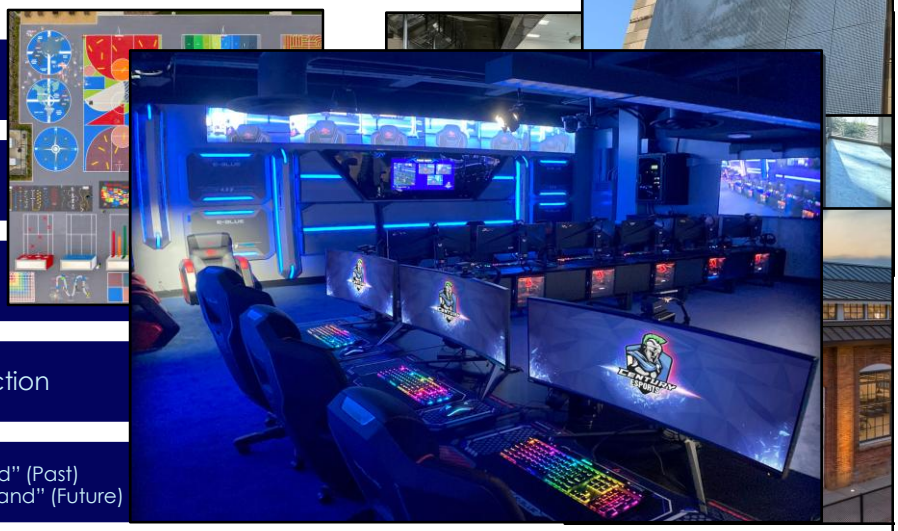
  Examples: Professional development, relocated support offices, grade reconfiguration, special programs, etc.
- Joint Use

  Example: City/District Shared Facility/Park space
  Enter into lease partnership via negotiations (public entity)
- Joint Occupancy – Public/Private Partnership – Lease

  Example: Housing Development
  District seeks partnership through RFP process (private entity)
- Form Surplus Property (7-11) Committee – Dispose

Extraordinary Programs & Learning Environ

- Play
- Food
- Art & Architecture
- Interpersonal Connection
- Theming — "Frontierland" (Past) "Tomorrowland" (Future)



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"How do amusement parks grow attendance?"

Feedback on the Plan

How do ALL students have a consistent voice in the process from Kindergarten to High School?



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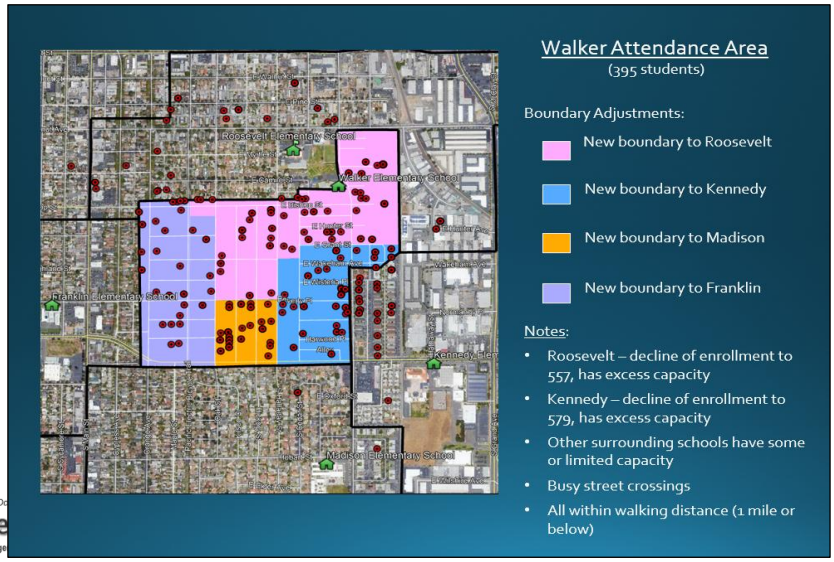
AB 1912



- Required for school districts ***under financial distress***
- Not required for those not under financial distress
- Provides a statutory framework and roadmap called an "equity impact analysis" which includes:
  - Physical condition of a school facility;
  - Operating costs of a school compared to potential savings resulting from closure;
  - Capacity of a school to accommodate excess pupils;
  - Special programs at school being considered for closure;
  - Environmental factors (traffic, freeway access, etc.);
  - Balance of pupil demographics (race or ethnicity, pupils with disabilities, homeless youth, etc.);
  - Pupil's transportation needs;
  - Aesthetics and opportunity for blight on community; and
  - Impact on feeder school attendance patterns.

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Spatial Analysis



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Utilization Analysis

Elementary School Site (Utilization average based on 31 per room)	Classroom Type: Permanent Classrooms	Classroom Type: Relocatable Classrooms	Total Classrooms	22-23 Projected Enrollment **	Projected Enrollment (inc. Mitchell)	Avg. Pupils per Room (Permanent)	Avg. Pupils per Room (ALL)	Utilization % (Avg/31) (Perm)	Utilization % (Avg/31) (ALL)
Thorpe	29	7	36	803	803	27.69	22.31	89%	72%
Greenville	43	0	43	858	858	19.95	19.95	64%	64%
Jefferson	27	11	38	531	535			64%	45%
Pio Pico	22	10	32	415	415			61%	42%
Wilson	25	6	31	419	419			54%	44%
Harvey	21	6	27	321	341			52%	41%
Roosevelt-Walker Academy	45	1	46	684	705	15.67	15.33	51%	49%
Heroes	29	0	29	425	445	15.34	15.34	49%	49%
Adams	26	1	27	359	392	15.08	14.52	49%	47%
Madison	53	0	53	777	777	14.66	14.66	47%	47%
Muir	50	0	50	692	692	13.84	13.84	45%	45%
Franklin	24	0	24	330	330	13.75	13.75	44%	44%
Garfield	35	0	35	470	470	13.43	13.43	43%	43%
Fremont	25	0	25	335	335	13.40	13.40	43%	43%
Monroe	20	0	20	256	256	12.80	12.80	41%	41%
Diamond	30	0	30	383	383	12.77	12.77	41%	41%
Monte Vista	29	5	34	366	366	12.62	10.76	41%	35%
Kennedy	37	0	37	411	450	12.16	12.16	39%	39%
Carver	34	0	34	402	402	11.82	11.82	38%	38%
Davis	33	0	33	373	373	11.30	11.30	36%	36%
Taft	42	11	53	454	474	11.29	8.94	36%	29%
King	39	0	39	440	440			36%	36%
Martin	42	0	42	468	468			36%	36%
Lowell	42	0	42	445	445			34%	34%
Jackson	52	0	52	484	503			31%	31%
Washington	59	0	59	512	547	9.27	9.27	30%	30%
Lincoln	56	0	56	488	499	8.91	8.91	29%	29%
Edison	40	0	40	355	355	8.88	8.88	29%	29%

EFFICIENT CAPACITY

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SWOT Analysis

- Interim housing for pending modernization projects
- Cost savings that can be spent on permanent improvements
- Increases safety of students / staff during modernizations
- Upgrades provide preview of 21st Century learning environment while used by visiting schools
- After interim housing need has concluded, repurpose space for Support Services, Prof. Development or a new academic program
- Reduces Prop. 39 charter school takeover threat
- Additional enrollment may increase State facilities grants

- Poses a hardship, increases distance, and may require additional transportation
- Disruption to existing school community, families, staff
- Disruption to surrounding neighborhood
- Adjustments required to surrounding schools to accommodate

- Boundary adjustments leading to similarly sized schools throughout District
- District resources expended toward improved learning environments at surrounding schools
- Invest in 21st century classroom improvements where students will be relocated
- Reduction in District annual operating costs
- Field renovation would generate revenue through Civic Center from soccer groups which could fund future projects at the site
- Future opportunity for additional reuse of site, such as:
  - Playfield access
  - New Central Kitchen
  - Bus yard
  - Joint development projects
  - Faculty Housing

- Confusion/poor communication
- Community opposition
- Increase cost for transportation

Optimize Capital Costs

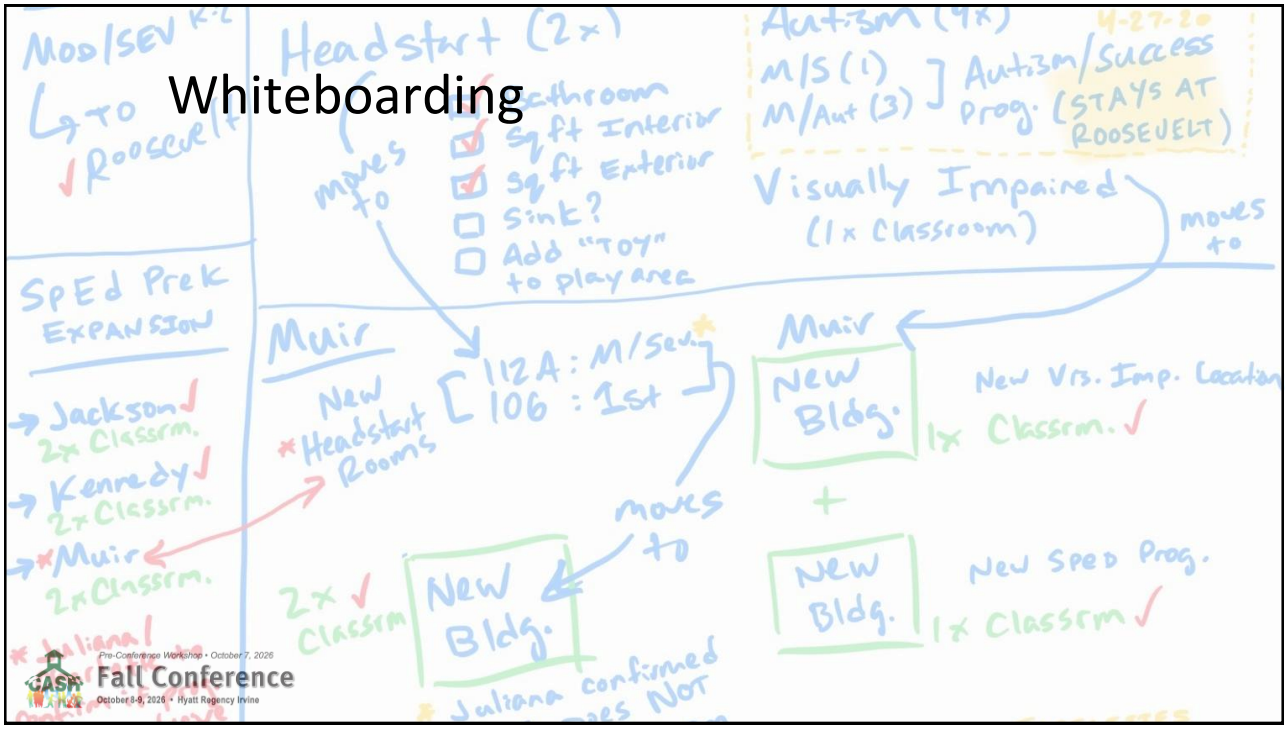
Subtotal: Staff Salaries	$3,908,416
Subtotal: Other Operating Costs	$941,516
Total: Estimated Annual Operating Cost	$4,849,933
Initial Operating Savings	**($500,000-$650,000)**
Short-term Capital Improvement Costs	
Facilities (Full Day Kinder)	($791,172)
Site Costs (Repurposing)	$1,221,000
Short-term Capital Cost	**$429,828**
Long-term Capital Improvement Costs	
Master Plan Improvements	($12,400,000)
Long-term Capital Cost Savings	**($12,400,000)**

K-8 Merge: Site Planning

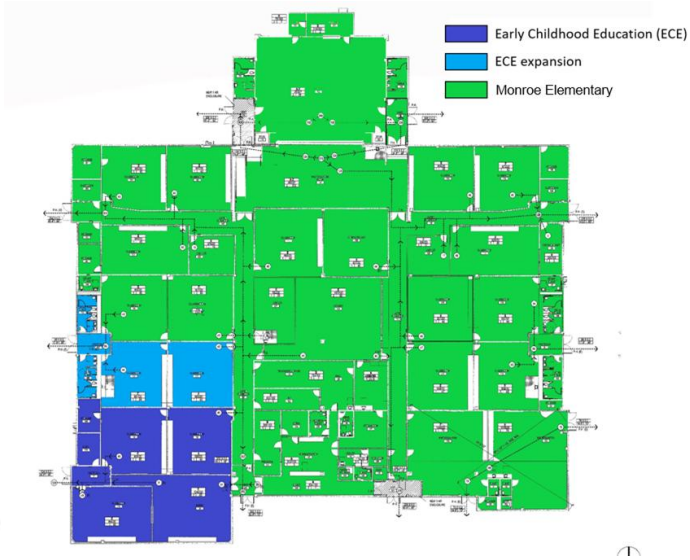




Whiteboarding

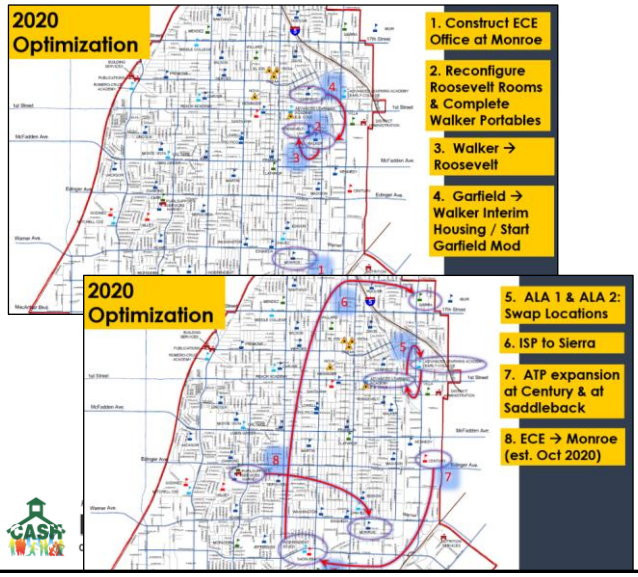


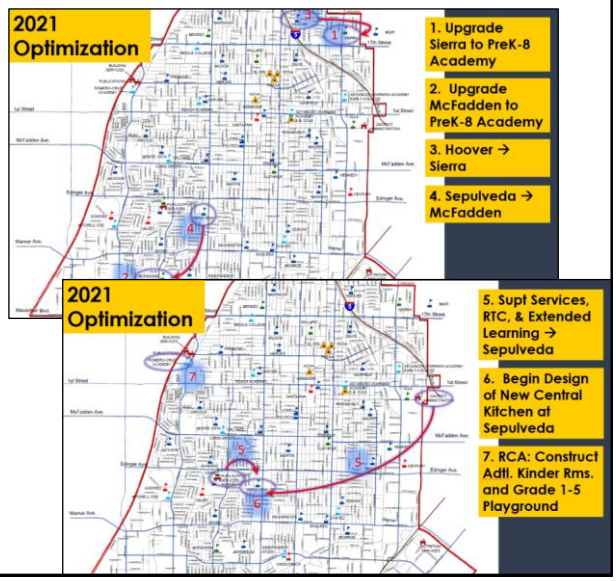
Repurposing Classrooms



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Where & When via Maps





Board: Open Session "Options"

8 schools
merge into
4 schools

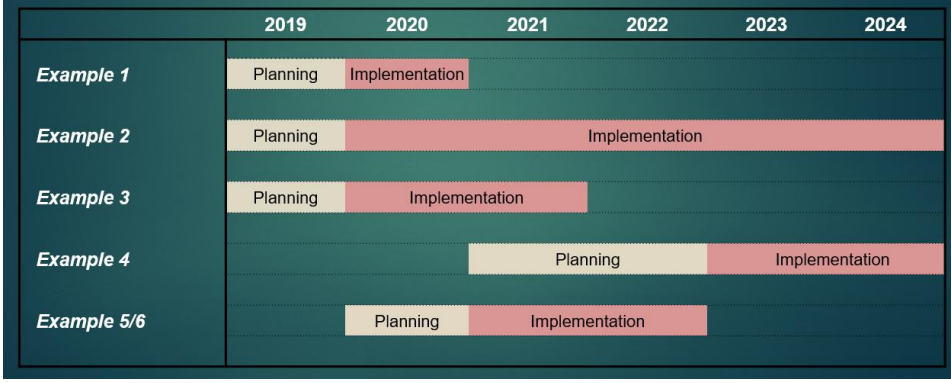
Campus Optimization Recommendations (Partial List)

	Example 1	Example 2	Example 3	Example 4	Example 5	Example 6
OPTION A	Independent Study	Interim Housing during Measure I Modernization Program	Early Childhood Education (ECE) Office Relocation	Repurpose to Waldorf High School	Maintain Pre-K – 1st Grade Program	Convert to 2nd – 8th Program
OPTION B	+ Adult Transition Program (ATP)	+ Pupil Support Services (after Measure I Projects are complete)	+ Pupil Support Services	OR Advanced Learning Academy (ALA)	+ District Wellness Center / Professional Development	
OPTION C	OR Redevelopment (e.g., housing), Central Kitchen, Professional Development	OR Professional Development	OR Housing	OR Repurpose to other magnet school	+ Lease Classrooms to College (SAC) or develop Housing	

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Board: Open Session "Options"

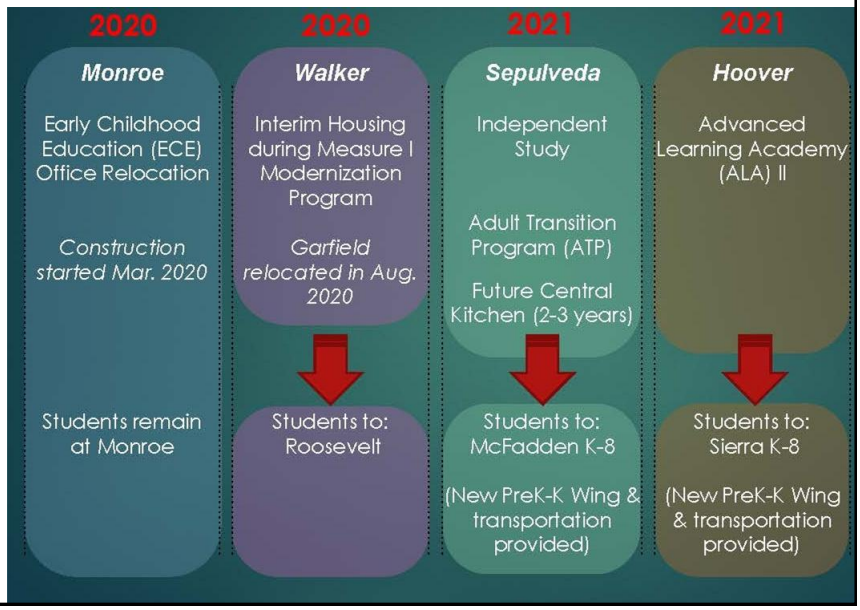
Campus Optimization Phasing



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2 Months Later… Adopted Program

6 schools
merge into
3 schools



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Project Management

Complex, tight schedules!

Our staff used checklists to help the team stay on track together

(And helped leadership keep track of their progress!)

SAUSD FACILITIES DIVISION, PLANNING & DESIGN + CONSTRUCTION: PROJECT CHECKLIST

Site: **Scope:** **Budget:**

Instructions: Initial and date each row as completed

PLANNING & DESIGN TASKS				COLLABORATION TASKS (PLANNING & CONSTRUCTION)					CONSTRUCTION TASKS			
Staff Assigned (List initials on right)	AA	DATE	NOTES	Staff Assigned (List BOTH initials on right)	AA	DATE	-	DATE	NOTES	Staff Assigned (List initials on right)	BB	DATE	NOTES
Project Concept Meeting	AA			Schematic Review/Approval	AA		BB			Procure Builders' Risks Insurance	BB		
Cabinet Authorization	AA			Design Devlp. Review/Approval	AA		BB			Inspection Selection	BB		
Written Direction to Begin Project	AA			Page Turn W. Principal/Signed	AA		BB			Inspection Agreement on IK12	BB		
Account # Provided	AA			Design Review: OFCI/OFOI items are budgeted	AA		BB			Inspection Agreement to Board	BB		
Signed Budget Sheet Obtained	AA			Verify receipt of underground scans	AA		BB			Inspection Requisition	BB		
Architect Selection	AA			Verify door cores in specs	AA		BB			Inspection PO Obtained	BB		
Architect Agreement on IK12	AA			Verify (w/ TSS) Switches/WAPs/Low Voltage	AA		BB			Inspection Contract Entered into Colbi	BB		
Architect Agreement to Board	AA			Verify budget for window shades	AA		BB			Testing Selection	BB		
Architect Requisition	AA			Verify Voice Amplification in specs	AA		BB			Testing Agreement on IK12	BB		
Architect PO Obtained	AA			Verify A/V equipment requirements	AA		BB			Testing Agreement to Board	BB		
Architect Entered into Colbi	AA			Verify Fire Alarm specifications	AA		BB			Testing Requisition	BB		
CEQA	AA			Develop construction logistics plan	AA		BB			Testing PO Obtained	BB		
Project Schedule Defined	AA			Verify temp housing need/plan	AA		BB			Testing Cont. Entered into Colbi	BB		
CM Selection	AA			Verify temp parking & drop-off need/plan	AA		BB			CWA Quote on IK12	BB		
CM Agreement on IK12	AA			Verify moving services in budget	AA		BB			CWA to Board	BB		
CM Agreement to Board	AA			Verify storage container need	AA		BB			CWA Requisition	BB		
CM Requisition	AA			Verify if M&O repaint budgeted/Coordinated	AA		BB			CWA PO Obtained	BB		
CM PO Obtained	AA			Verify landscape/irrigation repair budget	AA		BB			CWA Contract Entered into Colbi	BB		
CM Contract Entered into Colbi	AA			Verify if Security Services needed/budgeted	AA		BB			Bid Ad Requisition	BB		
HazMat and/or Geotech Selection	AA			Materials/Color Board Signed	AA		BB			Advertise Project	BB		
HazMat and/or Geotech on IK12	AA			Const. Docs Reviewed/Signed	AA		BB			Conduct Job Walk	BB		
HazMat and/or Geotech to Board	AA			DSA Submittal	AA		BB			Prebid RFIs	BB		
HazMat and/or Geotech Requisition	AA			DSA Back-Check Date	AA		BB			Addendums	BB		
HazMat and/or Geotech PO	AA			DSA Approval	AA		BB			Bid Opening	BB		
HazMatand/or Geotech into Colbi	AA			CEQA /DTSC Complete	AA		BB			Bid Summary Sheet	BB		
Order Title Report (if needed)	AA			Final Construction Schedule	AA		BB			Bid Closed	BB		
Topo Selection	AA			Funding Verified & Const. Budget Turned Over	AA		BB			Post Bid Interview	BB		
Topo on IK12	AA			PD->CS Transition & Handoff Mtg w/ Principal	AA		BB			Board Approved Bid	BB		
Topo to Board	AA			Principal Reviewed Signed Off Scope	AA		BB			Notice of Award	BB		
Topo Requisition	AA									Bid Requisition	BB		
Topo PO	AA			**COLLABORATIVE PROJECT MILESTONES**						Bid PO Obtained	BB		
Topo into Colbi	AA			Start Planning	AA		BB			File PWC-100	BB		
Undgd Util Selection	AA			End Planning	AA		BB			Provide DIR Project #	BB		
Undgd Util on IK12	AA			B2Bs to Board re: Bid Approval	AA		BB			Notice to Proceed	BB		
Undgd Util to Board	AA			ABIs to Board re: Bid Approval	AA		BB			Pre-Construction Meeting	BB		
Undgd Util Requisition	AA			Start Construction	AA		BB			Progress Notice to Owner	BB		
Undgd Util PO	AA			End Construction	AA		BB			File Substantial Completion	BB		
Undgd Util into Colbi	AA			Verify digital/physical files complete	AA		BB			Punch Walks w/M&O	BB		
Geotech Report to CGS	AA									Warranty Period Starts	BB		
Fire Flow Test	AA			**AFTER CONSTRUCTION COMPLETE:**						As Builts filed digitally and hard copy	BB		
Submit to CDE	AA			Design Post Occupancy Survey	AA		BB			O & M Manual Turn-over	BB		
DSA Reg/Check Request	AA			Post Occupancy Evaluation	AA		BB			Notice of Completion to Board	BB		
Slide in Board Update Presentation	AA			Post Occupancy Discussion/Lessons Learned	AA		BB			Notice of Completion Recorded	BB		
Project included in B2B	AA									Final DSA Payment / Cert Docs filed	BB		
Complete Student Feedback Exercise	AA									DSA Certification Received	BB		
Presentation / Sharing with Staff	AA			*Template Last Updated* 3/31/2025						10 Month Warranty Walk w/M&O	BB		
										Warranty Period Complete	BB		

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Community Presentations

Optimizing How We Teach Children

Sepulveda Elementary & McFadden Intermediate



Optimization Opportunities

New McFadden PreK/K Learning Environments

- State of the Art Classrooms
- Playground improvements
- Adjacent to STEM Lab





Our Optimization Objectives

How These Changes Will Help Our Students

- Strengthen academic excellence, social and emotional learning, community engagement
- Create stronger, more efficient schools
- Recruit, gain, and retain students
- Create opportunities to enhance our community
- Promote District "Brand" awareness



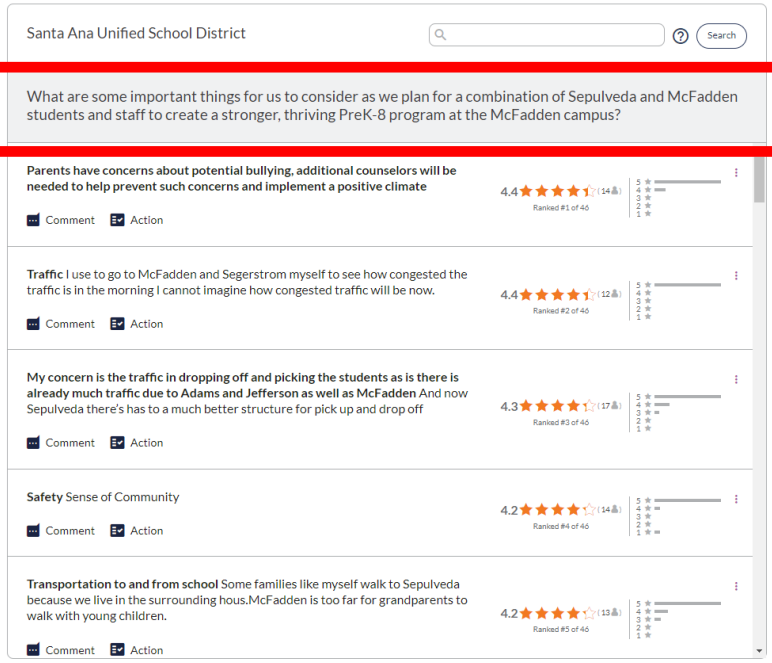
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Public Input

thoughtexchange







Listen & Deliver a plan that is good for kids.
Adult grief cannot be ignored, but it can temporary, mitigated, and forgivable!





7 Stages of Grief

(Modified Kubler-Ross Model)

Shock*	• Initial paralysis at hearing the bad news.
Denial	• Trying to avoid the inevitable.
Anger	• Frustrated outpouring of bottled-up emotion.
Bargaining	• Seeking in vain for a way out.
Depression	• Final realization of the inevitable.
Testing*	• Seeking realistic solutions.
Acceptance	• Finally finding the way forward.

Thank you!



Jeremy D. Cogan, AICP
Director of Planning & Design
Santa Ana Unified School District
jeremy.cogan@sausd.us
(714) 480-5356



Rob Murray
Director of Demographics
King Consulting
rob@kinginc.com
(916) 706-3538

FAQs: Proposition 2 Unpacked

Rebekah Kalleen, Legislative Advocate, Coalition for Adequate School Housing
Matt Pettler, Vice President, School Facility Consultants

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Prop 2 Overview

$10 billion for K-14 school facility repair, upgrade, and construction

- $8.5 billion for K-12 schools
  - » $4 billion for Modernization
    - Includes $115 million for testing/remediating lead in water
    - Includes $400 million reserved for small school districts
  - » $3.3 billion for New Construction
    - Includes $330 million reserved for small school districts
  - » $600 million for Career Technical Education (CTE) facilities
  - » $600 million for Charter School Facilities
- $1.5 billion for community college capital outlay projects

Prop 2 Overview

- Maintains core focus of the current School Facility Program – New Construction and Modernization programs
- Continues to fund eligible New Construction and Modernization projects in date order received
- Additional funding opportunities
- Additional support for Financial Hardship and small school districts
- A few new program requirements
- Only projects submitted *on or after* **October 31, 2024** are funded under the new provisions of Prop 2

Current Status of State Funding

- $1.4 billion in Prop 2 apportionments to date
- Approximately $7.2 billion in projects awaiting funding
- The State, under Governor Newsom, has funded approximately $1.5 billion in projects a year. Expected to continue under Prop 2.
- Prop 2 funding will be apportioned twice a year – likely spring (~$750 million) and fall (~$750 million)
- OPSC will process approximately $125 million per month in unfunded approvals
- Approximate 3-year delay from submittal to funding



FAQ



I have a local bond on the ballot in November, what should I be doing regarding State funding?

Answer:



- Determine your eligibility for State funding to help educate your voters on what a local bond gets them in additional funding
- Once your bond passes identify State funding opportunities
- If you have an active building program you MUST be active in the State School Facility Program
- Most successful districts are those that are aggressive with State funding
- Only “guarantee” is if you don’t get in line, you won’t get funding
- Eligible projects in line for funding have always been funded first by new bonds

FAQ



What is the status of Prop 2 Implementation?

Answer:
Prop 2 Stakeholder Process: ~*Two Years Later*

Topics addressed in over 20 stakeholder meetings include, but are not limited to:

Approved by SAB

- Financial Hardship
- Eligibility for schools on military installations
- Eligible expenditures
- SFP matching share
- 75-Year-Old Building Supplemental Grant
- Interim housing and natural disaster assistance
- Minimum Essential Facilities
- Supplemental Grant
- Transitional Kindergarten Supplemental Grant
- Energy Efficiency Supplemental Grant
- Career Technical Education Supplemental Grant
- Mandatory use of OPSC Online
- Five-Year Master Plan
- SASI Grant/Supporting Priority School Districts (CDE)
- Small Size School District Program
- TK Enrollment in Projection (Non-Prop 2)

Still Pending

- Lead in Water

FAQ

Will the new Proposition 2 funding changes and requirements continue with the next State Bond?

Answer:



- The State School Facility Program is governed by State statute and regulations
- Changes to the State Bond program must be accomplished through legislation
- New construction and modernization funding have been around since the beginning of the program in 1998
- Typically, state bond legislation adds to or updates new construction and modernization funding opportunities and requirements rather than removes them
- Future state bonds also frequently have grandfathering provisions or effective dates contemporaneous with the effective date of the new statutes

FAQ



How does my district apply for funding in the Small School District Program?

Answer:



- 10% of New Construction ($330 million) and 10% of Modernization ($400 million) funds reserved for small school districts
- Open to districts with 2,500 students or less
- Reservation of bond authority using preliminary apportionment structure – 4 years with a possible 1-year extension
- Construction management grant preliminary apportionment – 5% of State share to assist with planning, site acquisition, preconstruction, and closeout
- Applications will be accepted beginning:
  - » Modernization: November 2, 2026
  - » New construction: January 15, 2027
- Processed on a separate timeline from “standard” new construction and modernization funding

FAQ



What is the Project and Construction Management Grant?

Answer:



- Available only to projects funded under the **Small School District Program**
- Provides 5% of State share to assist with planning, site acquisition, preconstruction, and closeout
- Use the grant to obtain services from a county office of education, other local educational agency, state department, or **certified private construction consultant entity**
  - » CDE anticipates accepting applications for the list beginning Spring 2027
- Financial Hardship projects may receive grant funds up front with preliminary apportionment

FAQ



Does the "Lead in Water" program create new requirements for all SFP projects?

Answer:



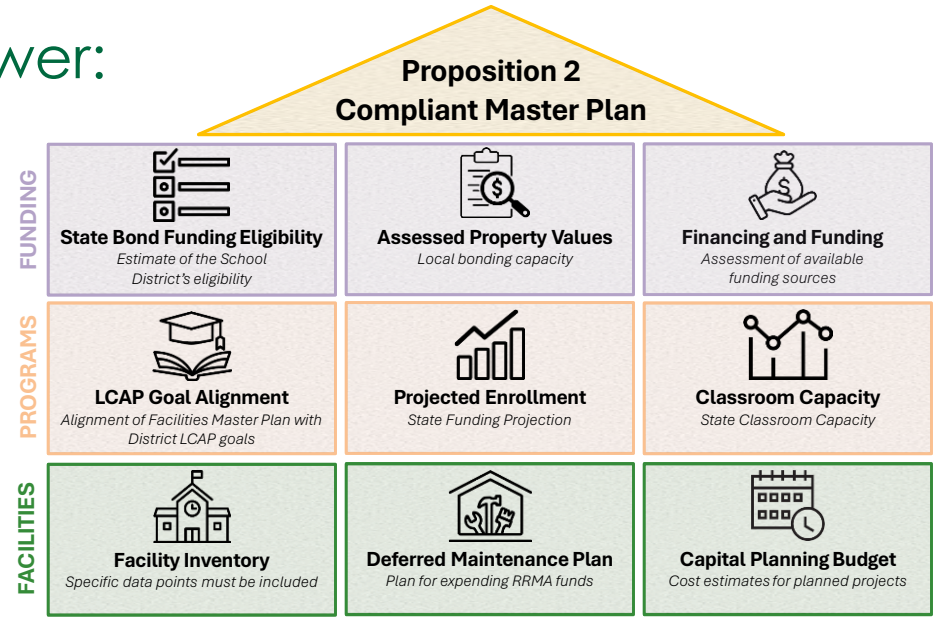
- Short answer – **no!**
- The Lead in Water program is a stand-alone, voluntary program to provide resources for testing and remediation
  - » Regulations are still being developed through OPSC stakeholder process
  - » This is entirely separate from other SFP programs
- **$115 million** available for funding cycles to:
  - » Test water outlets used for drinking or preparing food on K-12 school sites constructed prior to Jan. 1, 2010
  - » Remediate water outlets with lead levels in excess of 15 parts per billion
    - **60% state, 40% local share**
- OPSC proposes sequential Testing and Replacement Cycles

FAQ



What are the elements of a Proposition 2 compliant Master Plan?

Answer:



FAQ

When is my Master Plan required to be submitted to OPSC?

Answer:

Submission of a Master Plan

New Construction and Modernization Applications* (Full Adjusted Grant)		
OPSC Received Date	**When is a Local Governing Board Resolution Required to be submitted to OPSC?**	**When is the Master Plan Required to be submitted to OPSC?**
October 31, 2024 through May 4, 2027	Concurrently with the Form SAB 50-04.	Within 90 days of notification of application processing.
On or After May 5, 2027	Not Applicable	Concurrently with the Form SAB 50-04.
*Inclusive of applications that have previously SAB-Approved Separate Design and/or Site funding.		

Answer:

- Master Plans are not currently required when submitting funding applications to the Office of Public School Construction (OPSC)
- Currently, funding applications submitted to the OPSC must include a school board resolution acknowledging that a Master Plan will be required
- Master Plans submitted to the OPSC must be no more than five years old
- Special timing requirements for Facility Hardship, Seismic, Career Technical Education and Charter applications
  - » Special consideration for small school district final apportionment applications

FAQ



What is the Prop 2 Master Plan maintenance requirement?

Answer:



- Not capital letters – Deferred Maintenance
- Prop 2 statute references deferred maintenance plan pursuant to Education Code Section 17070.75
- EC 17070.75 is the Routine Restricted Maintenance Account (RRMA) requirement of the State School Facility Program and the plan referenced is the “publicly approved…ongoing and major maintenance plan that outlines the use of the funds deposited or to be deposited [RRMA funds]”
- Some small school districts are exempt from the RRMA requirement and therefore it follows the required plan
- High school districts with ADA of 300 pupils or less, elementary school districts with ADA of 900 pupils or less and unified school districts with ADA of 1,200 pupils or less

FAQ



What are some helpful tips for completing a Prop 2 Master Plan?

Answer:



- Consider where you are in your building program
- Consider the purpose and goals of master planning for your district
- Consider if you are a Financial Hardship District
- Use existing documentation

FAQ



Are there any new transparency requirements with Prop 2?

Answer:



- Audit results must be posted on the school district's internet website
- Before approving a project seeking Prop 2 funding, the governing board of a school district shall hold at least one public hearing to solicit input from members of the public regarding the project being proposed for submission
- For projects seeking State funding, school districts must post on their website project information including the location of the project, estimated project costs, and the estimated timeline for the completion of the project

FAQ

What are **your** questions?

Mentimeter

Rebekah Kalleen



Coalition for Adequate School Housing
1303 J Street, Suite 520
Sacramento, CA 95814
(916) 448-8577
rkalleen@m-w-h.com

Rebekah Kalleen is Vice President of Murdoch, Walrath & Holmes and a legislative advocate for education entities, with a focus on school facilities issues. She has over 15 years of experience in the State advocacy sector, helping clients from small associations to large companies navigate the State budget, legislative, and regulatory processes.

Murdoch, Walrath & Holmes has been instrumental in shaping statewide policy and implementing regulations for K-12 schools for almost five decades. Strategic relationships have been forged with the State Administration through agencies such as the Department of Education, the Office of Public School Construction, the State Allocation Board, and the Department of Finance; and, on the federal level, with key Congressional Members and the Executive Branch.

Matthew A. Pettler

SCHOOL FACILITY CONSULTANTS



School Facility Consultants
1303 J Street, Suite 500
Sacramento, CA 95814
(916) 441-5063
matt@s-f-c.org

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Matt Pettler is Vice President of School Facility Consultants (SFC). Matt has assisted hundreds of school districts receive billions of dollars in capital outlay funds for public school facilities in California. Matt specializes in managing client projects in all areas of the State School Facility Program as well as leading developer fee mitigation and District Facility Master Planning efforts. During his time with SFC, Matt has played a key role in multiple successful school district appeals before the State Allocation Board gaining over $750 million dollars in Financial Hardship, Seismic, Facility Hardship and Overcrowding Relief Grant funding. Matt has also assisted many school districts with complex audit/closeout issues reaching successful outcomes, avoiding Material Inaccuracy penalties.

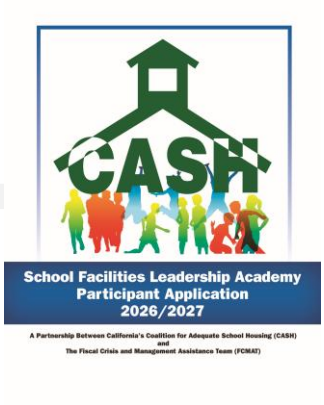
SFC assists school districts in all aspects of school facility planning and financing. With many years of combined experience on a variety of school facility issues, our staff is very knowledgeable in all aspects of the local planning and environmental process, and the internal procedures and requirements of the California Department of Education (CDE) and the Office of Public School Construction (OPSC).

SFC assists school districts to maximize new construction and modernization funding through the State Allocation Board (SAB) process. SFC staff is available to work with the CDE on new school site and plan approvals. Since 1986, SFC has successfully assisted more than 200 school districts obtain billions of dollars in State funding for school construction and modernization.

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INSIDE THE CASH SCHOOL FACILITIES LEADERSHIP ACADEMY (SFLA)

Keith Kovach
Covina-Valley USD



INSIDE THE CASH MAINTENANCE & OPERATIONS LEADERSHIP ACADEMY (CMOLA)

Carlos Fornelli
Downey USD



STATE AGENCY PRESENTATIONS

***Ida Clair**, Division of the State Architect*
***Rebecca Kirk**, Office of Public School Construction*
***Juan Mireles**, California Department of Education*

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October 8-9, 2026 • Hyatt Regency Irvine

Coalition For Adequate School Housing Fall Conference

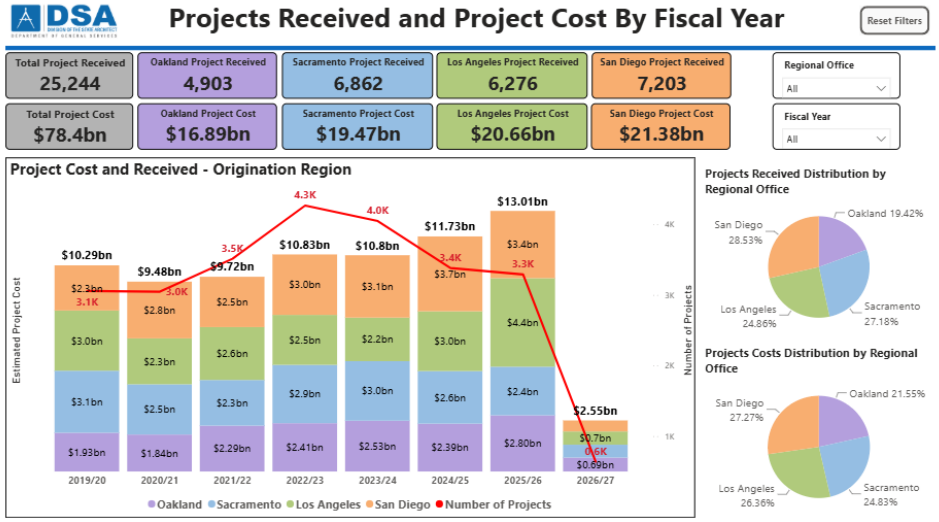
DSA Update

10.09.26

Ida A. Clair, FAIA
State Architect

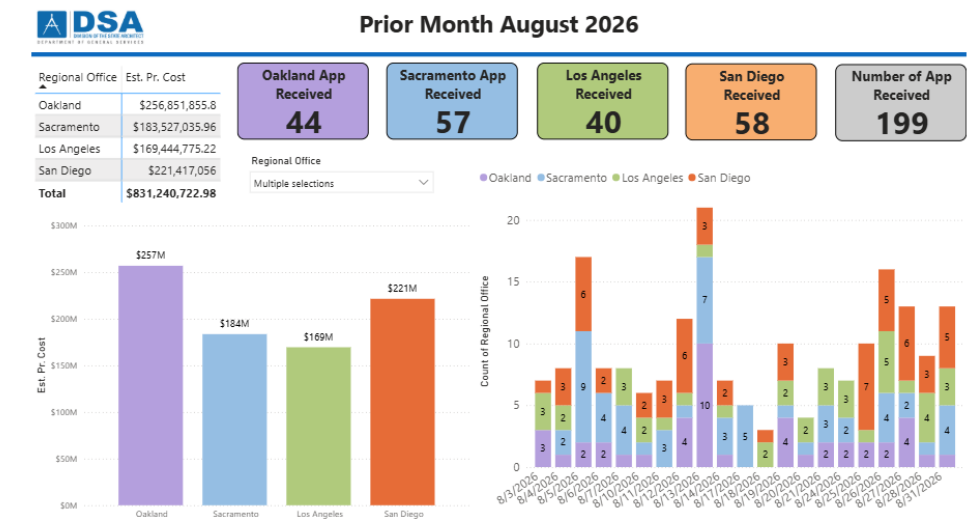
4

Projects Received by Fiscal Year



5

Work On Our Desks



6

Projected Submittals:

September 2026

Sep 2026				
REGION	# PROJECTS	# PROJECTS RATIO	EST. PROJECT COST	EST. PROJECT COST RATIO
Week Of		09/01/2026	09/05/2026	
OAKLAND	7	20.0%	$35,105,543.00	36.5%
SACRAMENTO	9	25.7%	$37,377,701.00	38.9%
LOS ANGELES	10	28.6%	$17,489,598.00	18.2%
SAN DIEGO	9	25.7%	$6,125,769.00	6.4%
TOTALS	35	100.0%	$96,098,611.00	100.0%
Week Of		09/06/2026	09/12/2026	
OAKLAND	7	14.3%	$41,489,294.00	29.2%
SACRAMENTO	15	30.6%	$23,495,886.00	16.5%
LOS ANGELES	15	30.6%	$62,554,578.00	44.0%
SAN DIEGO	12	24.5%	$14,567,982.61	10.3%
TOTALS	49	100.0%	$142,107,740.61	100.0%
Week Of		09/13/2026	09/19/2026	
OAKLAND	4	10.3%	$42,900,203.00	26.5%
SACRAMENTO	7	17.9%	$31,165,269.51	19.3%
LOS ANGELES	16	41.0%	$75,750,814.55	46.9%
SAN DIEGO	12	30.8%	$11,821,702.00	7.3%
TOTALS	39	100.0%	$161,637,989.06	100.0%
Week Of		09/20/2026	09/26/2026	
OAKLAND	8	22.9%	$16,686,480.00	8.5%
SACRAMENTO	6	17.1%	$108,444,000.00	55.4%
LOS ANGELES	12	34.3%	$35,874,284.00	18.3%
SAN DIEGO	9	25.7%	$34,623,000.00	17.7%
TOTALS	35	100.0%	$195,627,764.00	100.0%
Week Of		09/27/2026	09/30/2026	
OAKLAND	6	19.4%	$116,038,530.00	0.0%
SACRAMENTO	11	35.5%	$49,986,000.00	0.0%
LOS ANGELES	11	35.5%	$16,342,870.59	0.0%
SAN DIEGO	3	9.7%	$2,350,000.00	0.0%
TOTALS	31	100.0%	$184,717,400.59	100.0%
MONTHLY TOTALS				
OAKLAND	32	16.9%	$252,220,050.00	32.3%
SACRAMENTO	48	25.4%	$250,468,856.51	32.1%
LOS ANGELES	64	33.9%	$208,012,145.14	26.7%
SAN DIEGO	45	23.8%	$69,488,453.61	8.9%
TOTAL	189	100.0%	$780,189,505.26	100.0%

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Projected Submittals:

October 2026

Oct 2026				
REGION	# PROJECTS	# PROJECTS RATIO	EST. PROJECT COST	EST. PROJECT COST RATIO
Week Of		10/01/2026	10/03/2026	
OAKLAND	10	28.6%	$120,299,115.00	39.9%
SACRAMENTO	8	22.9%	$94,872,043.31	31.5%
LOS ANGELES	8	22.9%	$35,738,931.00	11.9%
SAN DIEGO	9	25.7%	$50,476,020.00	16.7%
TOTALS	35	100.0%	$301,386,109.31	100.0%
Week Of		10/04/2026	10/10/2026	
OAKLAND	12	21.4%	$40,706,825.00	26.0%
SACRAMENTO	16	28.6%	$21,989,383.06	14.1%
LOS ANGELES	16	28.6%	$54,028,703.42	34.5%
SAN DIEGO	12	21.4%	$39,732,469.00	25.4%
TOTALS	56	100.0%	$156,457,380.48	100.0%
Week Of		10/11/2026	10/17/2026	
OAKLAND	12	25.0%	$37,004,740.00	8.6%
SACRAMENTO	11	22.9%	$8,281,500.00	1.9%
LOS ANGELES	19	39.6%	$194,756,774.00	45.4%
SAN DIEGO	6	12.5%	$188,936,842.58	44.0%
TOTALS	48	100.0%	$428,979,856.58	100.0%
Week Of		10/18/2026	10/24/2026	
OAKLAND	16	31.4%	$141,734,441.00	43.3%
SACRAMENTO	6	11.8%	$67,438,094.52	20.6%
LOS ANGELES	16	31.4%	$39,448,673.59	12.1%
SAN DIEGO	13	25.5%	$78,613,568.00	24.0%
TOTALS	51	100.0%	$327,234,777.11	100.0%
Week Of		10/25/2026	10/31/2026	
OAKLAND	19	31.7%	$107,669,690.00	0.0%
SACRAMENTO	12	20.0%	$93,513,326.00	0.0%
LOS ANGELES	11	18.3%	$191,776,636.00	0.0%
SAN DIEGO	18	30.0%	$51,667,294.00	0.0%
TOTALS	60	100.0%	$444,626,946.00	0.0%
MONTHLY TOTALS				
OAKLAND	69	27.6%	$447,414,811.00	27.0%
SACRAMENTO	53	21.2%	$286,094,346.89	17.2%
LOS ANGELES	70	28.0%	$515,749,718.01	31.1%
SAN DIEGO	58	23.2%	$409,426,193.58	24.7%
TOTAL	250	100.0%	$1,658,685,069.48	100.0%

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OTC Alignment

- OTC Schedule Change – Improved customer service and availability
- OTC Process Change:
  - OTC Plans will be uploaded 6 days prior to appointment
  - DSA will review prior to appointment and comments available 1 full business day prior to appointment
  - DSA will review comments with client upon their arrival at OTC appointment
  - Provides client with entire OTC day to make corrections, as opposed to about half a day previously, higher approval rate

Monday	Tuesday	Wednesday	Thursday	Friday
• No OTC	• OTC – 4 appointment	• OTC – 4 appointments	• OTC – 4 appointments	• No OTC

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BU 25-01

DSA **BU 25-01**

BULLETIN: 2022 PRE-CHECK EXTENSION AND RENEWALS TO THE 2025 CBC

Division of the State Architect (DSA) documents referenced within this publication are available on the DSA Forms or DSA Publications webpage.

PURPOSE

The purpose of this bulletin is to provide adequate time for building manufacturers to prepare pre-check (PC) plans and obtain the DSA approval before required use of 2025 PC plans due to adoption of the 2025 California Building Code (CBC).

1. 2022 PC PLANS EXTENSION

All PC drawings and specifications that are approved for compliance with the 2022 CBC, Title 24, California Code of Regulations will be accepted with applications submitted to DSA through **December 31, 2026**. This deadline has been extended to allow manufacturers to accommodate their high demand while obtaining approval of site-specific project plans in compliance with the 2025 CBC.

- 2022 CBC PCs will be in effect until December 31, 2026 (12-month grace period).
- PC renewals will be ramping up between now and the end of the year.

Table 3: DSA Regional Office for each PC Type

PC Type	DSA Regional Office
Freestanding Signs, Scoreboards, and Ball Walls (IR PC-1)	Oakland
Modular Buildings (IR PC-2)	Various (See Note 1)
Modular Elevator Towers (IR PC-3)	Oakland
Open Fabric Shade Structures (IR PC-4)	San Diego
Precast Concrete Buildings (IR PC-5)	San Diego
Relocatable Buildings (IR PC-6)	Various (See Note 1)
Steel Cantilevered Canopy Structures (IR PC-7)	Los Angeles
Ramps & Universal foundations	San Diego
Battery Energy Storage Systems	San Diego
Bleachers or Miscellaneous Sports Structures	Oakland
Stadium Light and Telecommunication Poles	Sacramento

Note 1: Where noted in Table 3 above, PC manufacturers shall submit 2025 PC application packages to the DSA regional office indicated below. For PC manufacturers not listed below, contact the local DSA regional office to confirm prior to submission.

- **Oakland**: Arntz Builders, Cerami & Browning Construction, FLINT, TLS Choice, XL Construction
- **Sacramento**: American Modular Systems (AMS), Global Modular, JL Construction, JTS Modular
- **San Diego**: Class Leasing, CRATE Modular, Enviroplex, Mobile Modular, NEXTMOD, On Premise Products, Silver Creek Modular

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DSA Collaboration and Accelerated Reviews for Emergency School Rebuilding

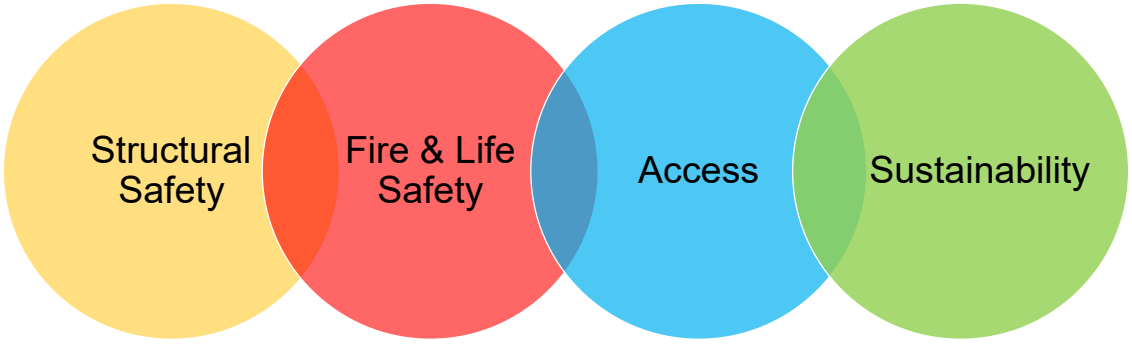
- Emergency placement of Relocatable Buildings Prior to DSA approval – 60-day window to submit (DSA IR A-1)
- **DSA is Developing a New Collaborative Process for Disaster Response** (Similar to BU 09-07)
  - Pilot Program to work directly with Districts and their Design Professionals
  - Meet with DSA as early as possible – Schematic Phase
  - DSA dedicated plan review team of multiple reviewers for duration of project
  - Review of 100% DD drawings for project scope and to understand code implications and interpretations as they apply to the project
  - 50%CD review with collaborative meeting to discuss review comments and plan reviewer questions and help expedite final review and approval
  - Regularly scheduled meetings throughout the process



Pacific Palisades - January 2025

- ✓ Palisades Charter HS – Approved
- ✓ Palisades Charter ES – Approved
- Marquez Charter ES – Scheduled to be approved in September

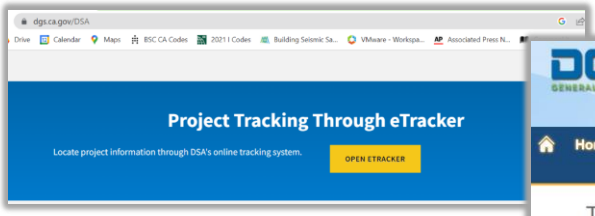
11

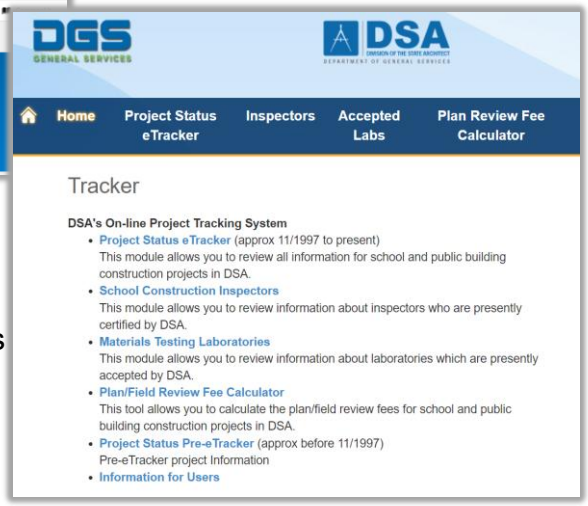


ETracker Modernization Update

12

eTracker Replacement





Existing eTracker

- Monitor your project
  - Plan review status
  - Change document status
  - Documents required for certification
- Almost 30-year old system

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eTracker Replacement

- 2 phases
  - Phase I: Maintain same functionality, file storage integration
    - Combine external webTracker and internal eTracker into unified system
    - Improve interface
    - Incorporate DSA time tracking
    - Integrate certification database
    - Integrate field resource spreadsheet
    - Update accounting reports

    Release 1 March 2027
    - Master plan requirements as required by AB 247 (Prop 2)

    Release 2 August 2027
  - Phase II: Incorporate stakeholder dashboards and form integration

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DSA Teams, Collaboratives and Task Forces

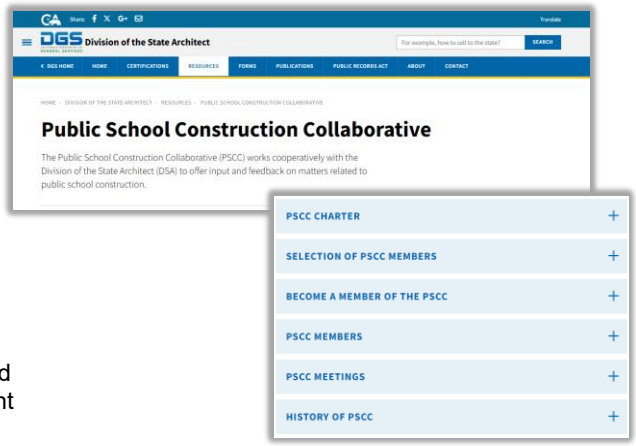


Photo by Vardan Papikyan on Unsplash

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Public School Construction Collaborative (PSCC)

- Offer insight on matters that protect the intent of the Field Act.
- Advise DSA on policy issues.
- Review and comment on proposed legislation or offer insight on adopted legislative changes.
- Review and advise DSA on Interpretations of Regulations at the request of the State Architect.
- Serve as liaison to stakeholder groups.
- Review and comment on the California Building Standards Code at Triennial and Intervening Code Cycles and offer insight on interpretive issues which may arise between code cycles.



Recent meeting: September 23, 2026

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Modular and Relocatable Buildings Task Force

- Offer insight on matters that affect modular and relocatable school building construction and protect the intent of the Field Act.
- Advise DSA on policy issues that affect modular and relocatable buildings.
- Review and advise DSA on Interpretations of Regulations at the request of the State Architect.
- Review and comment on the California Building Standards Code at triennial and intervening code cycles and offer insight on interpretive issues which may arise between code cycles.
- Address structural safety, fire & life safety, and accessibility concerns in advance of project submission at the onset of each new code cycle.
- Arrange for Energy Code and CALGreen training and of modular and relocatable building manufacturers in advance of project submission at the onset of each new code cycle.

Recent meeting: September 29, 2026

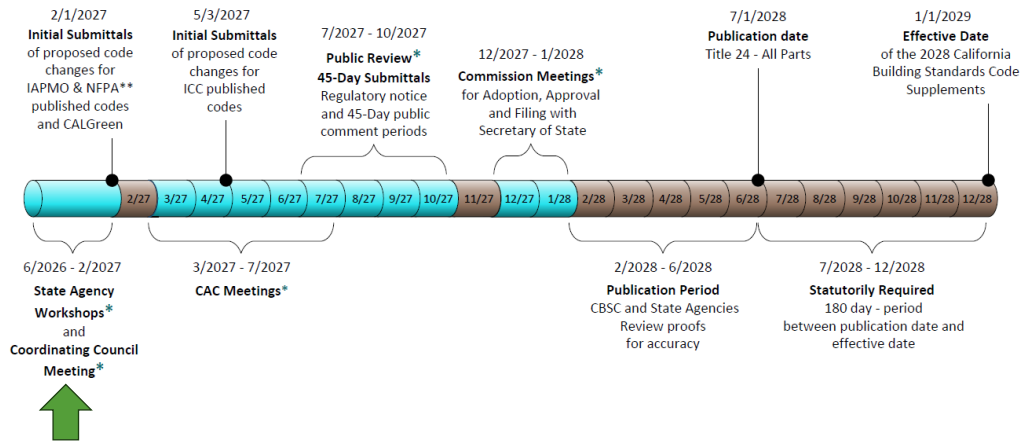
17

2027 Triennial Code Adoption Cycle

2028 California Building Standards Code, Title 24
Effective January 1, 2029

California Building Standards Commission

*Public Participation Opportunity



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CALGreen Carbon Reduction Collaborative

Design Professionals, Non-profits, Industry and Public Stakeholders

American Institute of Architects California (AIACA)	(SEAOC) Structural Engineers Association of California
Collaborative for High Performance Schools (CHPS)	(NBI) New Buildings Institute
Construction Management Association of America (CMAA)	(RMI) Rocky Mountain Institute
Building Owners & Managers Assoc. International (BOMA)	(CLF) Carbon Leadership Forum
Concrete Masonry Assn. of California and Nevada (CMACN)	(USGBC) U.S. Green Building Council
CA Construction & Industrial Materials Assn. (CalCIMA)	(AISC) American Institute of Steel Construction
National Ready Mixed Concrete Association (NRMCA)	(CSPTC) California State Pipe Trades Council
California Nevada Cement Association (CNCA)	(CRSI)Concrete Reinforcing Steel Institute
American Concrete Institute (ACI)	(CFSEI) Cold-Formed Steel Engineers Institute
Portland Cement Association (PCA)	(ICC) Institute International Code Council
California Building Industry Association (CBIA)	(SDI) Steel Deck Institute
California Building Officials (CALBO)	(STI) Steel Tube Institute
California Energy Commission (CEC)	(CARB) California Air Resources Board
Department of General Services (DGS)	(CNRA) California Natural Resources Agency
State Fire Marshal (SFM)	(CDPH) California Department of Public Health
CA Dept. of Recycling (CALRecycle)	(HCAI) Dept. of Healthcare Access and Information
CA Dept. of Transportation (CALTrans)	(HCD) Dept. of Housing and Community Development



Recent meeting: September 24, 2026

DSA DIVISION OF THE STATE ARCHITECT DEPARTMENT OF GENERAL SERVICES

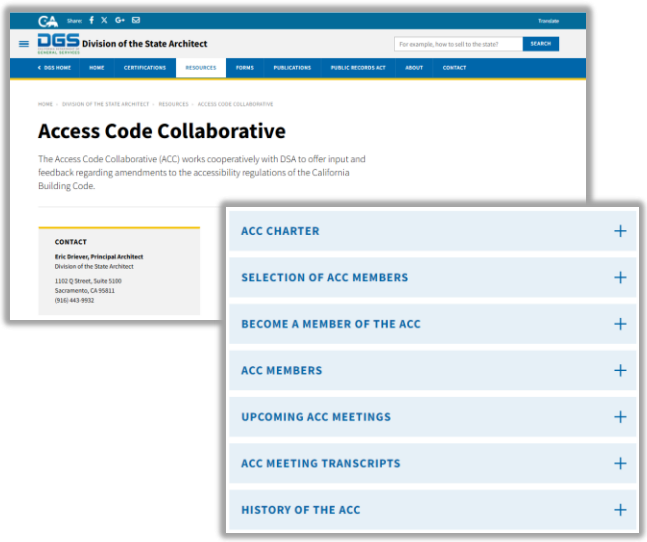
CBSC

19

Access Code Collaborative (ACC)

- A consultative group to offer feedback on DSA's proposed new and amended accessibility regulations for Chapter 11B of the California Building Code.
- Offer input and feedback regarding proposed amendments to the CBC.
- Help create transparency related to the discussion of proposed amendments and recommendations made by the ACC for the rulemaking record.
- Identify opportunities to strengthen public awareness, engagement and training to support regulatory development and CBC compliance.

Next meeting: TBD



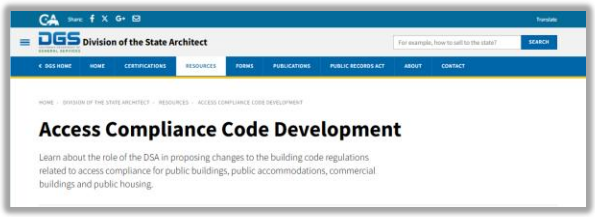
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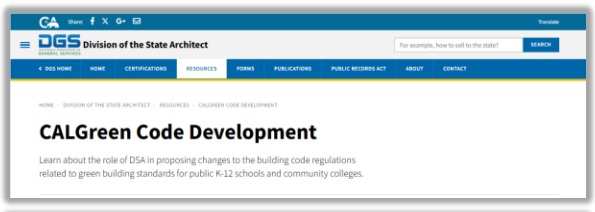
General Stakeholder Meetings

- Access Code Public Meeting
  - Virtual
  - Thursday, October 1, 10 am – 3 pm
  - May finish early at conclusion of business
- CALGreen Stakeholder Meeting
  - Virtual
  - Thursday, October 22, 10 am – 2 pm
  - May finish early at conclusion of business
  - Survey on Shade Trees also will be sent via email

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Building Standards Rulemaking







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School Sustainability Updates

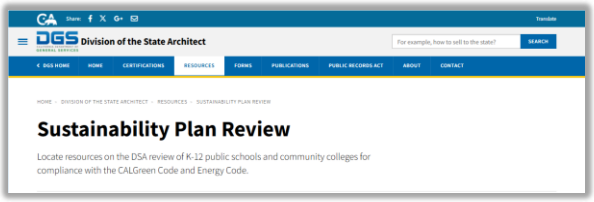
23

Regional Sustainability Architect (RSA)

- New positions to support the Sustainable Schools Program
- (4) Regional Sustainability Architects (RSA)(aka Senior Architects)
- Stationed at each DSA regional offices:
  - Los Angeles – Barbara Gonzalez
  - San Diego – Somayeh Tabatabaee
  - Sacramento – May Lin Chan
  - Oakland – In Hiring Process



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RSAs will:

- Assist with Plan Review of Pre Check Designs (PC) for:
  - CALGreen Compliance
  - Energy Compliance
- Perform Intake process for CGE Verification:
  - DSA 403, and 403-PC
- Review OPSC Supplemental Energy Efficiency Grant submitted to DSA

DSA

RSAs will assist with:

- Greater support at pre-application meetings
- Greater compliance of requirements
- Understanding of challenges in implementation
- Understanding of resources that need to be developed

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2027 Relaunch

Sustainable Schools Showcase



- A return of the showcase in the last quarter of 2026
- Call for exemplary sustainable project to feature
- Please reach out to:
  - Alicia.Chavez@dgs.ca.gov
  - DSASustainability@dgs.ca.gov

DSA

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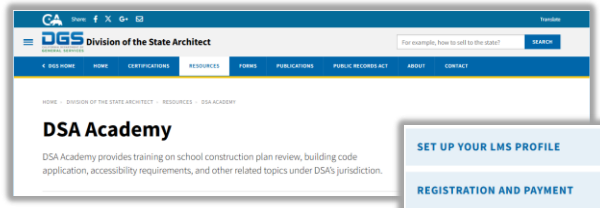


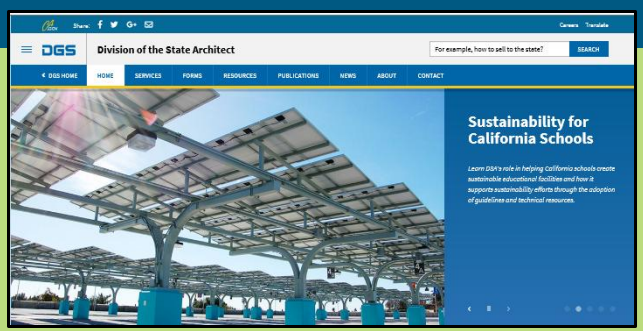


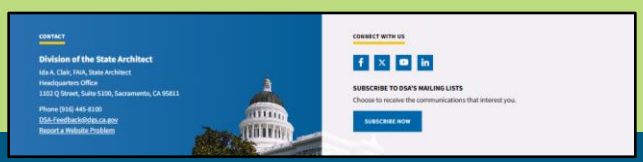


Photo by J. Kelly Brito on Unsplash

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SUBSCRIBE TO OUR MAILING LIST!





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Office of Public School Construction

STATE ALLOCATION BOARD AND OFFICE OF PUBLIC SCHOOL CONSTRUCTION UPDATES

CASH 2026 Fall Conference
Presented by
Rebecca Kirk, Executive Officer

October 9, 2026



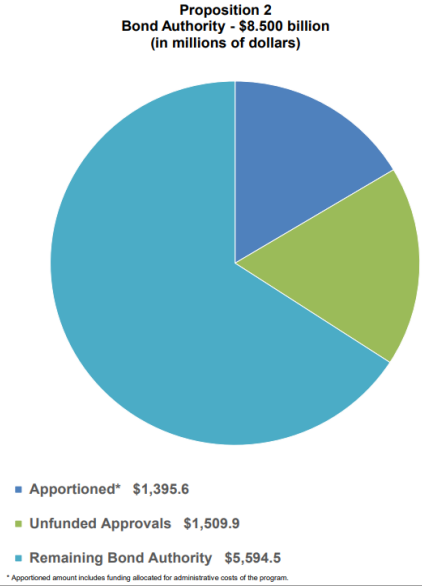


Agenda

- Status of Funds
- Upcoming Funding Opportunities
  - Career Technical Education Facilities Program Cycle 8
  - Small School District Program
- Opportunities for Input
  - Lead in Water Testing and Remediation Program
  - Facility Inspection Tool
- Important Reminders
  - OPSC Online
  - Five-Year School Facility Master Plans
- Points of Contact

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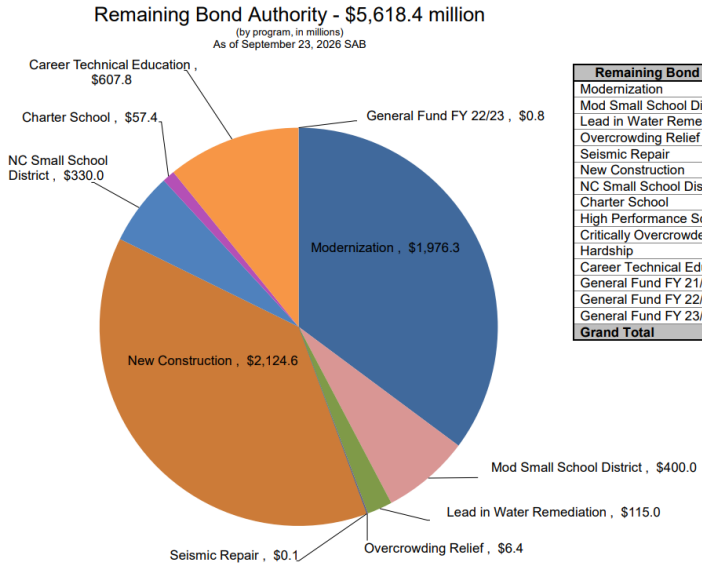
Proposition 2 Bond Authority



Proposition 2 Totals			
New Construction	$	522.2	
Small School District	*$*	*-*	
Modernization	$	862.0	
Small School District	*$*	*-*	
Lead in Water Remediation	*$*	*-*	
CTE	$	5.7	
Charter	$	5.7	
Apportioned*	**$**	**1,395.6**	**16.4%**
New Construction	$	323.8	
Small School District	*$*	*-*	
Modernization	$	647.7	
Small School District	*$*	*-*	
Lead in Water Remediation	*$*	*-*	
CTE	$	-	
Charter	$	538.4	
Unfunded Approvals	**$**	**1,509.9**	**17.8%**
New Construction	$	2,124.0	
Small School District	*$*	*330.0*	
Modernization	$	1,975.3	
Small School District	*$*	*400.0*	
Lead in Water Remediation	*$*	*115.0*	
CTE	$	594.3	
Charter	$	55.9	
Remaining Bond Authority	**$**	**5,594.5**	**65.8%**
Grand Total	**$**	**8,500**	**100.0%**

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Remaining Bond Authority (All Sources)



Remaining Bond Authority (in millions)		
Modernization	$	1,976.3
Mod Small School District	$	400.0
Lead in Water Remediation	$	115.0
Overcrowding Relief	$	6.4
Seismic Repair	$	0.1
New Construction	$	2,124.6
NC Small School District	$	330.0
Charter School	$	57.4
High Performance Schools	$	-
Critically Overcrowded Schools	$	-
Hardship	$	-
Career Technical Education	$	607.8
General Fund FY 21/22	$	-
General Fund FY 22/23	$	0.8
General Fund FY 23/24	$	-
Grand Total	**$**	**5,618.4**

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Workload and Acknowledged Lists

- **OPSC Workload List – As of August 31, 2026 ($3.77 billion)**

  New Construction – 383 applications, State Share = $2.02 billion

  Modernization – 499 applications, State Share = $1.75 billion

- **OPSC Acknowledged List – As of August 31, 2026 ($2.37 billion)**

  Modernization – 648 applications, State Share = $2.37 billion

Number of applications includes duplicate submittals;

dollar values do not.

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Upcoming Funding Opportunities

Career Technical Education Facilities Program – Cycle 8

- The California Department of Education (CDE) will accept Grant Applications between October 15 and December 1, 2026.
  - Applicants who wish to reapply may reuse their CDE Grant Application score from Cycle 7 if project scope and concept are unchanged.
- Upon receipt of a passing score from CDE, applicants must submit the funding application to OPSC by June 30, 2027.
- More information and resources: https://www.dgs.ca.gov/OPSC/Services/Page-Content/Office-of-Public-School-Construction-Services-List-Folder/Access-Career-Technical-Education-Facilities-Funding

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Upcoming Funding Opportunities

Small School District Program

- Program Opens
  - Modernization ($400 million) – November 2, 2026
  - New Construction ($330 million) – January 15, 2027
- Preliminary Apportionment
  - Can include a new Project and Construction Management Grant
- Final Apportionment
- Additional Info
  - Lottery if program is oversubscribed. All projects received on same day will be in lottery.
  - https://www.dgs.ca.gov/OPSC/Services/Page-Content/Office-of-Public-School-Construction-Services-List-Folder/Access-Small-School-District-Program-Funding

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Opportunities for Input

Lead in Water Testing and Remediation

$115 million for funding cycles to address testing and remediation of lead in water

1. Testing
   - Water outlets used for drinking or preparing food at school sites constructed before January 1, 2010
   - Must test all water outlets on the school site, unless tested or replaced since January 1, 2010, and results must be provided to OPSC and the community water system.
2. Replacement of water outlets
   - May request replacement of water outlets with lead levels in excess of 15 parts per billion.
   - Follow-up testing is required.
3. Replacement of pipes or fixtures, if residual program funds are available
   - For water outlets replaced that have follow-up testing results with lead levels in excess of 15 parts per billion.

- Stakeholder Meetings held June 2026 and September 2026
- Additional stakeholder meeting(s) forthcoming

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Opportunities for Input

Facility Inspection Tool

- Adopted by the SAB in June 2007; updated in 2009 and 2022
- California State Auditor Report – November 19, 2024
  - Found FIT reporting to be inaccurate
  - Recommendations for OPSC:
    - Engage in stakeholder process to update the FIT
    - Include a broader range of deficiency ratings (*cosmetic*, *minor*, *moderate,* and *extreme)*
    - Adjust the weighting of the deficiency ratings to provide a more accurate assessment
    - Update the scoring system to remove aggregation of FIT sections into category-level reporting
    - Provide multiple examples for each section and deficiency level
    - Include guidance in the FIT on the assessment of specialized learning environments
- Stakeholder Meetings held October 2025, June 2026, and September 2026
- Additional stakeholder meeting(s) forthcoming

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Important Reminders

OPSC Online

- OPSC Online is available for all SFP programs
- OPSC Online took the SFP paperless for greater efficiency and streamlined business processes.
- Use of OPSC Online for all application submittals will be required beginning January 1, 2027



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Five-Year School Facilities Master Plans

- Required for all School Facility Program applications submitted on or after October 31, 2024
- Timelines for submittal of the following depend on the specific application type:
  - Local governing board resolution acknowledging requirements and timelines
  - Copy of a complete and valid Master Plan, governing board approval/minutes, and Form SAB 50-MP checklist
- On and after May 5, 2027 – Master Plan required concurrently with submittal of the Form SAB 50-04 for New Construction and Modernization applications!
- More information and resources: https://www.dgs.ca.gov/OPSC/Resources/Page-Content/Office-of-Public-School-Construction-Resources-List-Folder/School-Facility-Master-Plans

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Points of Contact

Browse OPSC's website: www.dgs.ca.gov/opsc

Subscribe to receive OPSC emails: https://www.dgs.ca.gov/OPSC/Contact

Send comments and suggestions to: OPSCcommunications@dgs.ca.gov





2026 Legislative Landscape

Federal and International changes

Economic impact of AI-driven technology

Effects of climate change

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Historical Perspective





2026 Legislative Landscape

- Leadership Continutiy
- Pressure on State Budget
- Affordability
- AI-driven technology
- Climate change

FY 2026-27 Budget – Overview

- Despite record-high Prop 98 funding, structural/operational **budget challenges** persist for school districts across the state
- Ongoing fears of Federal cuts – and pressure for the state to backfill to retain programs and services
- **Deficit** – Budget is balanced for two years (26-27 & 27-28)
  - Revenue estimates adjusted upward significantly from January to June 2026
  - Out-year deficits estimated at **$10 billion**
- **Reserves** – Record levels at **$35.2 billion**
- **Prop 98 Minimum Guarantee** = Up to **$128 billion** in 26-27
  - **$3.9 B settle-up payment** = borrowing from schools
  - **4.31% "Super COLA"** – 2.87% statutory, plus discretionary
  - **Paid Pregnancy Disability Leave** – 14 weeks

FY 2026-27 Budget – School Facilities

- **Prop 2 Bond Funding – $1.5 billion** for school facility projects in 26-27
- **Kitchen Infrastructure Grants – $500 million** (one-time Prop 98 GF) for specialized kitchen equipment, infrastructure, and training to support schools in providing freshly prepared meals with local ingredients
- **Student Discretionary Block Grant – $5 billion**
  - Identifies **Deferred Maintenance** as an allowable use
- **SFP Default TBL** – Gives the State Allocation Board authority to **"withhold any new approvals"** if an applicant is in – or projected to be in – "default" with the requirements of any Board-administered program

Next Steps for Future Funding

- Status of Bond Authority
  - **Modernization** is exhausted – SFP Applications Received Beyond Bond Authority List = **$ 2.1 billion** (as of June 30, 2026)
  - Some **New Construction** funds remain
- Small School District Program is still available
  - $400 million for Modernization, $330 million for New Construction
- Advocacy for future School Facility Program funding
  - Educate policymakers about our need (including new Governor and Legislators)
  - Cultivate school facility champions in the Legislature
  - Navigate and respond to competing policy priorities
  - Strengthen the coalition of support



AB 2067 (Patel) – Lease-Leaseback Extension

Position: Co-Sponsor

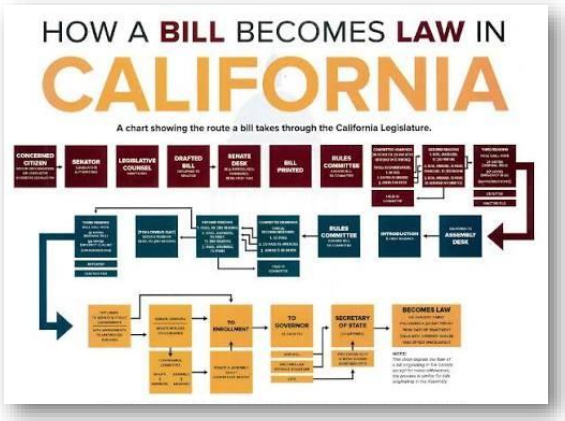
Summary:

- Would extend for five years the authorization for Local Education Agencies (LEAs) to use lease-leaseback (LLB) as a construction delivery method, from July 1, 2027 to July 1, 2032.

Status: Signed into law on September 18, 2026.

Civics Lesson – Interlude

- What does it mean to "sponsor" a bill?
- Responsibilities of sponsor
- Public vs background work
- Member relations & politics



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SB 1014 (Grayson) – Development project onsite and offsite improvements

Position: Oppose Unless Amended to No Opposition

Summary:

- Would allow development proponents to request and receive additional information on offsite and onsite improvements at the preliminary application phase, and when processing post-entitlement permits.

Status: Signed into law

SB 492 (Becker) – Utility Wildfire Liability

Position: Coalition Oppose

Summary (in concept):

- Eliminating or capping the claims public agencies—including school districts—could file for damages resulting from utility-caused wildfires.
- Eliminating the practice of subrogation through which insurance companies attempt to collect from utilities that were liable for wildfire damage.
- Eliminating or reducing the ability of public agencies to recover lost property taxes resulting from utility-caused wildfires.
- Limiting property damage claims to the depreciated value of properties post-wildfire.

Status: Dead



Wildfire & Energy Liability – Impact on School Facilities and Maintenance Policy

AB 1642 (Harabedian) – Standards for Reoccupying Schools After a Wildfire

- Requires the DTSC to establish new standards for testing lead, asbestos and "other contaminants" to be determined by DTSC before reoccupying residences, schools and workplaces after a wildfire.
- Sponsored by the Eaton Fire Residents United (EFRU) and supported by many local community groups and opposed by insurance companies.
- CASH adopted a "Watch" position on AB 1642, but reached out to committee staff and stakeholders as the bill moved through policy and fiscal committees to raise concerns about overlap with existing DTSC requirements for schools, as well as the open-ended and one-size-fits-all approach the bill adopts.
- CASH worked with other educational associations with common concerns and successfully removed schools from the requirements of the bill.
- AB 1642 requires the CDE to develop non-regulatory guidance and resources for schools when reoccupying a school after a wildfire.
- AB 1642 was signed by the Governor on September 15 (Chapter 239/Statutes of 2026).

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Wildfire & Energy Liability – Impact on School Facilities and Maintenance Policy (Cont.)

Status of CalSHAPE – School HVAC Grant Program

- Coalition advocates to statutorily extend CalSHAPE
- The program was frozen, with $194 million still available to fund projects.
- AB 196 was not taken up by the Budget Committee, and the effort to extend the program fell short.
- Some districts that submitted applications were caught in between.
- Ratepayer-funded – caught up in energy politics.
- Indoor air quality, classroom temperatures, and upgrading school HVAC systems continue to be a hot topic for the Legislature.

Key Regulatory Issues for School Maintenance Departments – Changes to the FIT, Proposition 2 Lead in Water Program, Gate Safety Requirements, Non-Functional Turf

Facility Inspection Tool (FIT)

- Evolution of the FIT: Staffing/Square footage/Cleanliness
- AB 599 – 75% more *Williams* Inspections
- State Auditor's *Report on Custodial Staffing and Cleanliness Standards*
- CASH's Priorities – Retain the basic architecture of the FIT, update resources and guidelines, keep it simple.

Key Regulatory Issues for School Maintenance Departments (Cont.)

State Auditor's *Report on Custodial Staffing and Cleanliness Standards*

- Released in November 2024
- Key Recommendations:
- Legislature should consider provide dedicated funding for school maintenance that is separate from the LCFF and dedicated specifically to maintenance.
- DGS should update the FIT to include a broader rate of deficiency ratings and additional types of classroom environments to more accurately reflect school conditions.
- OPSC FIT Update Stakeholder process

Key Regulatory Issues for School Maintenance Departments (Cont.)

Proposition 2: Lead in Water Program

- Op-In Proposition 2 Program vs New Statewide Standards
- Policy Framework - Builds on AB 746
- $115 million (Modernization bond authority)
- Two funding phases: Testing $20 million/Remediation $85 million
- 15 ppb in Proposition 2 statute

Key Questions:

1. Schools cannot control quality of water that flows onto their site (definition of 'water outlet')
2. Will breaking walls and cement to access plumbing upgrades be covered? Will there be a maximum grant amount?
3. Will the program be retroactive?
4. Will there be substantial progress and accountability requirements?

Key Regulatory Issues for School Maintenance Departments (Cont.)

Cal-OSHA Gate Safety Regulations

- Proposal for statewide regulations regulating large gate safety, inspection and maintenance.
- Coalition to oppose regulations including schools, public works, agricultural industry, etc.
- Discussion about the difference in risk posed by *Sliding vs Swinging* gates respectively.
- The oppose coalition is arguing that the focus on Sliding gates is reasonable, but Swinging gates do not pose the level of risk that Sliding gates do and should not be subject to the regulations.

AB 1572 – Non-functional Turf

- Bill establishes a phased in implementation of the ban on use of non-functional/ornamental turf.
- For municipalities and K-12 schools, the requirement goes into effect January 1, 2027.



AB 2241 (Boerner) – Inclusive School Playgrounds

- CASH position: Watch (Amendments addressed our concerns)
- Status: Signed by Governor
- Requires CDE to curate and maintain an **internet resource with best practices** for inclusive playground designs
  - CDE may recommend requirements or incentives to encourage inclusive features in school playground projects
- Prior versions:
  - Established 15-member Inclusive Playgrounds Committee to develop model guidelines
  - Required CDE to amend guidelines for grant programs to ***prioritize projects that meet inclusive design standards***
  - Required the Committee to review inclusive school playground designs submitted by LEAs seeking state funding and ***ensure designs meet inclusive design standards***

AB 1809 (Fong) – Job Order Contracting

- CASH Position: Watch
- Status: Signed by Governor
- Extends the authority for K-14 to use job order contracting by 10 years, to Jan. 1, 2037
- JOC is an alternative procurement method to deliver smaller projects
  - Allows for award of contracts based on prices for specific construction tasks, rather than bids for specific projects, using lowest responsible bidder
  - Contractors are prequalified and bid an adjustment factor to the preset unit prices
- District must have a PLA covering all projects awarded through JOC and all other public works projects that exceed a monetary threshold set by the district for all delivery methods

AB 1754 (Pacheco) – State GO Bonds

- CASH Position: Watch (With Concerns)
- Status: Held on Senate Appropriations Suspense file
- Required a new state bond act to include specified information about the **goals, purposes, and objective** of bond expenditures
  - Include detailed performance indicators and data collection requirements
  - Administering Board would prepare a one-page, executive summary-style written report
- CASH raised concerns about duplicative reporting for schools and potential drafting pitfalls
- DOF opposed the bill due to limits on flexibility and costs to programs

Skilled and Trained Workforce

AB 1859 (Ortega) – Joint-Labor Management Committees

- CASH Position: Watch
- Status: Held on Senate Appropriations Suspense File
- Required an awarding body or owner to allow representatives of a joint labor-management committee to have "reasonable access" to active public works job sites to monitor compliance with prevailing wage and apprenticeship requirements
  - Intended to **exempt TK-12 schools** but language was unclear

AB 1838 (Berman) – Contractor Disclosure of Wage-and-Hour Violations

- CASH Position: Watch
- Status: Signed by Governor
- Requires a contractor to disclose a history of wage-and-hour violations within the last five years when submitting a bid to a local agency
- Failure to provide disclosures *may* result in bid disqualification
  - Local agency must establish a process for a contractor to appeal bid disqualification

Local Bonds – November Ballot

Total Unique Measures: 115		
Total Bonds: 95		
	K-12 Bonds: 86	$12,376,868,720
	CCD Bonds: 9	$5,241,630,000
Total Parcel Taxes: 20		
	K-12 Parcel Taxes: 20	
	CCD Parcel Taxes: 0	
Total Amount of Need Shown:		**$17,618,498,720**

2027 Crystal Ball – Emerging/Ongoing Issues



- TBD – New Governor!
- Affordability and cost of living
  - CEQA, zoning, building code, etc.
- Underutilized assets
  - Workforce housing
- Wildfire and disaster preparedness, response, and rebuilding
  - Resiliency
- Environmental – air quality, water quality, health hazards
- Classified staffing ratios
- Liability/indemnity
- Sustainability
  - Energy rates/utility costs
- Delivery methods
  - Skilled and trained

Questions?



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Thank you!



Nancy Chaires Espinoza
nchairesespinoza@m-w-h.com



Rebekah Kalleen
rkalleen@m-w-h.com



Ian Padilla
ipadilla@m-w-h.com

Coalition for Adequate School Housing
(916) 448-8577
www.cashnet.org

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Emerging Legal Risks & Contracting Trends in School Facilities



Gil Fullen
Senior Vice President
Balfour Beatty



Martin Hom
Partner
TAO ROSSINI, APC



Luke Punnakanta
Attorney at Law
DWK DANNIS WOLIVER KELLEY Attorneys at Law

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Ballot Language / Bond Labels



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CUPCCAA Related litigation update

California Uniform Public Construction Cost Accounting Act



Off-site stored materials



Owner contingency vs Contractor contingency



Emerging Legal Risks & Contracting Trends in School Facilities



Gil Fullen
Senior Vice President
gfullen@bbus.com
Balfour Beatty



Martin Hom
Partner
mhom@taorossini.com
TAO ROSSINI, APC



Luke Punnakanta
Attorney at Law
lpunnakanta@dwkesq.com
DWK DANNIS WOLIVER KELLEY
Attorneys at Law