



ACCM Membership Conference Call January 20, 2011

Participating:

Terry Street, Roebbelen Const. Mgmt. Services
Heidi, for Dane at Tilden Coil
Kris Meyer, Ledesma & Meyer Const. Co.
Paul Bonaccorsi, WLC Construction Services
Dick Cowan, Davis Reed, Inc.

Staff:

Dave Walrath
Aileen Dalen

The Governor's proposal to eliminate Redevelopment Agencies (RDAs) will have direct impact on construction, but not on school construction. The proposal includes that, at a later election, local government would be given the ability to enact local infrastructure bonds with a 55% voter approval. The bonds could be secured with new tax revenue other than property tax. If the future 55% proposal is approved, then because of the larger statewide tax base, it would have a greater construction impact than RDAs.

The budget proposes no state spring bond sale. A new bond sale by August/September is necessary because water, transportation and other projects all need cash in the pipeline.

The State Allocation Board should apportion their remaining \$300 million in January/February.

The Superintendent of Public Instruction wants a 2012 bond. It is too early right now for any significant action, but look for serious meetings later in the year on modifications to the current program. Whatever modifications are made, Walrath expects the new program will not be as generous with state funds as the current School Facility Program.

Terry: When will there be a state budget?

Dave: The Legislature will not do the cuts and all of the RDA the Governor is asking for, but they will do most of it and then wait for the June election results. If the proposition passes the Legislature will do budget "A"; if it does not pass the Legislature will do budget "B."

Walrath expects a budget to be passed and enacted by July 1 because Proposition 25 created fiscal penalties on the Legislature if the budget is not passed on time.

Legislation that was vetoed by Governor Schwarzenegger in the past will most likely be reintroduced this session. February 19 is the deadline to introduce legislation. We will have more information at the next ACCM General Membership meeting during the C.A.S.H. Annual Conference on February 23, 2011 from 10:45 a.m. to 12:15 p.m. at the Sacramento Convention Center in Room 303.

We have invited Kathleen Moore, School Facilities Program Director to discuss Superintendent of Public Instruction Tom Torlakson's School Facility Task Force proposal to streamline applications, green energy, and a new 2012 state school bond.

We also have invited Scott Harvey, Acting Director at the Department of General Services, to discuss his view of OPSC and DSA directions for 2011.

The C.A.S.H. Conference will have many important workshops and programs. We hope ACCM members will attend the C.A.S.H. Annual Conference, and while at the conference, will attend the ACCM general membership session.

Dick Cowan asked if there would be a dues change this year and Walrath stated that now is not the time to raise dues.

Terry asked if Department of Industrial Relations still intends to take over the Labor Compliance Program responsibilities for school district projects. Walrath's response is that yes, they still intend to do it.

Dick asked about getting ACCMs foot in the door before legislation is introduced. Walrath stated that while he has been in contact with labor; it generally is easier to get amendments to legislation after the bills are introduced. ACCM can then make deals to remove ACCM's opposition.

Question: Is there any polling stating that the tax continuation and realignment proposition can pass? Walrath stated that yes, there is polling stating the proposition can pass, but that's a point only if you believe the polling. If passed, the proposition would create \$7 -\$9 billion of annual income during the next 5 years.

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