



Association of California Construction Managers

July 19, 2010

Ms. Cynthia Bryant
Department of Finance
California State Capitol - Room 1145
Sacramento, CA 95814

Dear Ms. Bryant:

The Association of California Construction Managers (ACCM) respectfully requests that the State Allocation Board (SAB) continue the school facility incentive program adopted for the August SAB apportionments.

The incentive program has demonstrated that school districts can quickly put more than \$1.3 billion into new construction contracts (or more when local matching funds are included) for school facilities construction and modernization.

Unfortunately, only \$408 million is available to apportion for the incentive program.

The State Treasurer's website indicates that the Treasurer intends to sell \$970 million in school bonds during the fall bond sales. The sales will barely meet the already certified commitments to quickly increase California construction jobs. The Treasurer's sale intent is welcome, but is not sufficient to meet new unfunded approvals in August, September and November.

We request that the SAB act to approve a resolution urging the Treasurer to sell \$1.4 to \$1.6 billion in school bonds during the fall bond sales.

The fall school bond sale dollar amount should be equal to the combined applied, but unfunded, August apportionments plus the state match dollar value of projects that have been submitted to the Office of Public School Construction (OPSC) before July 1, 2011.

We request this dollar amount to maximize the number of new jobs that can be added to the construction workforce.

We request that the SAB reopen the incentive program for applications after the November SAB meeting with apportionments in December. To ensure that the maximum possible projects can be eligible, we request the SAB to direct OPSC to guarantee that all projects that have been submitted by July 1, 2010 will be presented to the SAB to be placed on the unfunded list no later than the November SAB meeting.

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In summary, we are requesting the SAB do the following:

- Continue the construction incentive program;
- Request the Treasurer to sell sufficient school bonds to fund the unfunded and projected incentive program commitments;
- Initiate a new incentive program round at the November SAB meeting; and
- Direct OPSC to have all projects that were submitted to them by July 1, 2010 ready for SAB approval to the unfunded list by the November SAB meeting.

We believe that if the SAB adopts our proposal, and the Treasurer sells the school bonds, a minimum of 30,000 new construction jobs can be created by April 2011.

Thank you for your consideration of this request and proposal.

Sincerely,



David L. Walrath