FEBRUARY 2026

2026 DEVELOPER FEE JUSTIFICATION STUDY FOR MILLBRAE ELEMENTARY SCHOOL DISTRICT

LISA HICKEY,
SUPERINTENDENT

PREPARED BY

SCHOOLWORKS, INC.
8700 Auburn Folsom Rd., #200
Granite Bay, CA 95746

PHONE: (916) 733-0402
WWW.SCHOOLWORKSGIS.COM

TABLE OF CONTENTS

Executive Summary 1

Background 2

Purpose and Intent 3

Burden Nexus 3

Cost Nexus 3

Benefit Nexus 3

Enrollment and Impacts 4

Student Generation Factor 5

New Residential Development Impacts 6

Existing Facility Capacity 7

Classroom Loading Standards 7

Existing Facility Capacity 8

Students in Excess of Capacity by State Housing Standards 9

Calculation of Development's Fiscal Impact on Schools 10

School Facility Construction Costs 10

Reconstruction/Modernization Costs 10

Impact of New Residential Development 12

Impact of Other Residential Development 13

Impact of Commercial/Industrial Development 14

Employees per Square Foot of Commercial Development 14

Students per Employee 15

School Facilities Cost per Student 15

Residential Offset 15

Net Cost per Square Foot 17

Verifying the Sufficiency of the Development Impact 17

District Map 18

Conclusion 19

Burden Nexus 19

Cost Nexus 19

Benefit Nexus 19

Appendices

- **Census Data**
- **Use of Developer Fees**
- **Site Development Costs**
- **Index Adjustment on the Assessment for Development – State Allocation Board Meeting of January 28, 2026**
- **Annual Adjustment to School Facility Program Grants**

Executive Summary

This Developer Fee Justification Study demonstrates that the Millbrae Elementary School District requires its share of the full statutory impact fee to accommodate impacts from development activity.

A fee of $5.17 per square foot for residential construction and a fee of $0.84 per square foot for commercial/industrial construction is currently assessed on applicable permits pulled in the District. The new fee amounts are **$5.38** per square foot for residential construction and **$0.87*** per square foot for commercial/industrial construction. This proposed increase represents $0.21 per square foot and $0.03 per square foot for residential and commercial/industrial construction, respectively. The Districts share of the developer fees is 60%.

The following table shows the impact of the new fee amounts:

Table 1

Millbrae Elementary School District
Developer Fee Collection Rates

Totals	Previous	New	Change
Residential	$5.17	$5.38	$0.21
Commercial/Ind.	$0.84	$0.87	$0.03
District Share:	60.00%		
Net Impact	Previous	New	Change
Residential	$3.10	$3.23	$0.13
Commercial/Ind.	$0.50	$0.52	$0.02

*except for Rental Self Storage facilities in which a fee of $0.05 per square foot is justified.

The total projected number of housing units to be built over the next five years is 483. The average area per unit is 884 square feet. This Study demonstrates a need of $4.83 per square foot for residential construction.

Background

Education Code Section 17620 allows school districts to assess fees on new residential and commercial construction within their respective boundaries. These fees can be collected without special city or county approval, to fund the construction of new school facilities necessitated by the impact of residential and commercial development activity. In addition, these fees can also be used to fund the reconstruction of school facilities to accommodate students generated from new development projects. Fees are collected immediately prior to the time of the issuance of a building permit by the City or the County.

As new developments generate students, additional school facilities or modernization of existing facilities will be needed to house the new students. Because of the high cost associated with constructing school facilities and the District's limited budget, outside funding sources are required for future school construction. State and local funding sources for the construction and/or reconstruction of school facilities are limited.

The authority cited in Education Code Section 17620 states in part "… the governing board of any school district is authorized to levy a fee, charge, dedication or other form of requirement against any development project for the construction or reconstruction of school facilities." The legislation originally established the maximum fee rates at $1.50 per square foot for residential construction and $0.25 per square foot for commercial/industrial construction. Government Code Section 65995 provides for an inflationary increase in the fees every two years based on the changes in the Class B construction index. As a result of these adjustments, the fees authorized by Education Code 17620 are currently **$5.38** per square foot of residential construction and **$0.87** per square foot of commercial or industrial construction.

Purpose and Intent

Prior to levying developer fees, a district must demonstrate and document that a reasonable relationship exists between the need for new or reconstructed school facilities and residential, commercial and industrial development. The justification for levying fees is required to address three basic links between the need for facilities and new development. These links or nexus are:

Burden Nexus: A district must identify the number of students anticipated to be generated by residential, commercial and industrial development. In addition, the district shall identify the school facility and cost impact of these students.

Cost Nexus: A district must demonstrate that the fees to be collected from residential, commercial and industrial development will not exceed the cost of providing school facilities for the students to be generated from the development.

Benefit Nexus: A district must show that the construction or reconstruction of school facilities to be funded by the collection of developer fees will benefit the students generated by residential, commercial and industrial development.

The purpose of this Study is to document if a reasonable relationship exists between residential, commercial and industrial development and the need for new and/or modernized facilities in the Millbrae Elementary School District.

Following in this Study will be figures indicating the current enrollment and the projected development occurring within the attendance boundaries of the Millbrae Elementary School District. The students generated will then be loaded into existing facilities to the extent of available space. Thereafter, the facilities needed will be determined and an estimated cost will be assigned. The cost of the facilities will then be compared to the area of residential, commercial and industrial development to determine the amount of developer fees justified.

Enrollment and Impacts

In 2025/2026 the District's total enrollment (CBEDS) was 2,161 students. The enrollment by grade level is shown here in Table 2.

Table 2

Millbrae Elementary School District
CURRENT ENROLLMENT

Grade	2025/2026
TK/K	351
1	190
2	188
3	203
4	240
5	247
6	234
TK-6 Total	1,653
7	261
8	247
7-8 Total	508
TK-8 Total	2,161

This data will be the basis for the enrollment impacts which will be presented later after a review of the development projections and the student generation factors.

Student Generation Factor

In determining the impact of new development, the District is required to show how many students will be generated from the new developments. To ensure that new development is paying only for the impact of those students that are being generated by new homes and businesses, the student generation factor is applied to the number of new housing units to determine development-related impacts.

The student generation factor identifies the number of students per housing unit and provides a link between residential construction projects and projections of enrollment. The State-wide factor used by the Office of Public School Construction is 0.50 for grades TK-8. For the purposes of this Study we will use the local factors to determine the students generated from new housing developments. Comparing the number of housing units in the school district to the number of students in the school district as of the 2020 Census results in a generation rate of 0.25461 which includes all housing types. Table 3 shows the student generation factors that will be used for the various grade groupings for this study.

Table 3

Millbrae Elementary School District
STUDENT GENERATION FACTORS

Grades	Students per Household
TK-6	0.1005
7-8	0.0245
Total	**0.125**

These yield rates were calculated based on the projected impact of the planned new development projects. A previous analysis done by SchoolWorks had analyzed several developments built near BART stations that were high density projects. These averaged a student yield rate of 0.1250 TK-8 students per housing unit. Although this rate is much lower than the current district yield rate it is the most likely yield from the type of projects being planned over the next 5 years.

New Residential Development Impacts

The Millbrae Elementary School District has experienced an average new residential construction rate of approximately 190 units per year over the past four years. This was determined by reviewing the residential permits pulled and school development impact fees paid to the District. After contacting the City of Millbrae planning department within the school district boundaries, it was determined that the residential construction rate over the next five years will average 96.6 units per year. Projecting the average rate forward, we would expect that 483 units of residential housing will be built within the District boundaries over the next five years. We are not including TOD 1 because the City says there has been no movement on this project.

To determine the impact of residential development, a student projection is done. Applying the student generation factor of 0.125 to the projected 483 units of residential housing, we expect that 61 students will be generated from the new residential construction over the next five years. This includes 49 elementary school students and 12 middle school students.

The following table shows the projected impact of new development. The students generated by development will be utilized to determine the facility cost impacts to the school district.

Table 4

Millbrae Elementary School District
DEVELOPMENT IMPACT ANALYSIS

Grades	Generation Rate	Students Generated
TK to 6	0.1005	49
7 to 8	0.0245	12
Totals	**0.1250**	**61**

Existing Facility Capacity

To determine the need for additional school facilities, the capacity of the existing facilities must be identified and compared to current and anticipated enrollments. The District's existing building capacity will be calculated using the State classroom loading standards shown in Table 6. The following types of "support-spaces" necessary for the conduct of the District's comprehensive educational program, are not included as "teaching stations," commonly known as "classrooms" to the public:

Table 5
List of Core and Support Facilities

Library	Resource Specialist
Multipurpose Room	Gymnasium
Office Area	Lunch Room
Staff Workroom	P.E. Facilities

Because the District requires these types of support facilities as part of its existing facility and curriculum standards at its schools, new development's impact must not materially or adversely affect the continuance of these standards. Therefore, new development cannot require that the District house students in these integral support spaces.

Classroom Loading Standards

The following maximum classroom loading-factors are used to determine teaching-station "capacity," in accordance with the State legislation and the State School Building Program. These capacity calculations are also used in preparing and filing the baseline school capacity statement with the Office of Public School Construction.

Table 6
State Classroom Loading Standards

TK/Kindergarten	25 Students/Classroom
1st-3rd Grades	25 Students/Classroom
4th-6th Grades	25 Students/Classroom
7th-8th Grades	27 Students/Classroom

Existing Facility Capacity

The State determines the baseline capacity by either loading all permanent teaching stations plus a maximum number of portables equal to 25% of the number of permanent classrooms or by loading all permanent classrooms and only portables that are owned or have been leased for over 5 years. As allowed by law and required by the State, facility capacities are calculated by identifying the number of teaching stations at each campus. All qualified teaching stations were included in the calculation of the capacities at the time the initial inventory was calculated. To account for activity and changes since the baseline was established in 1998/99, the student grants (which represent the seats added either by new schools or additions to existing schools) for new construction projects funded by OPSC have been added. Using these guidelines the District's current State calculated capacity is shown in Table 7.

Table 7

Millbrae Elementary School District
Summary of Existing Facility Capacity

School Facility	Permanent Classrooms	Portable Classrooms	Chargeable Portables	Total Chargeable Classrooms	State Loading Factor	State Funded Projects	Total State Capacity
Grades TK-6	63	11	11	74	25	0	1850
Grades 7-8	27	0	0	27	27	0	729
Totals	90	11	11	101		0	2579

This table shows a basic summary of the form and procedures used by OPSC (Office of Public School Construction) to determine the capacity of a school district. There are a total of 90 permanent classrooms in the District. In addition, there are 11 portable classrooms. OPSC regulations state that if the number of portables exceeds 25% of the permanent classrooms, then the maximum number of portables to be counted in the baseline capacity is 25% of the permanent classrooms. Since the District has fewer portable classrooms than 25% of the permanent classrooms, all 11 portable classrooms are included in the baseline. This results in a total classroom count of 101 and is referred to as the chargeable classrooms.

To determine the total capacity based on State standards, the capacity of the chargeable classrooms are multiplied by the State loading standards. As Table 7 shows, the total State capacity of the District facilities is 2,579 students.

Students in Excess of Capacity by State Housing Standards

This next table compares the facility capacity with the space needed to determine if there is available space for new students from the projected developments. The space needed was determined by reviewing the historic enrollments over the past four years along with the projected enrollment in five years to determine the number of seats needed to house the students within the existing homes. The seats needed were determined individually for each grade grouping. The projected enrollment in the space needed analysis did not include the impact of any new housing units.

Table 8

Millbrae Elementary School District
Summary of Available District Capacity

School Facility	State Capacity	Space Needed	Available Capacity
Grades TK-6	1,850	1,653	197
Grades 7-8	729	508	221
Totals	2,579	2,161	418

The District capacity of 2,579 is more than the space needed of 2,161, assuming the existing facilities remain in sufficient condition to maintain existing levels of service. The difference is 418 students.

Calculation of Development's Fiscal Impact on Schools

This section of the Study will demonstrate that a reasonable relationship exists between residential, commercial/industrial development and the need for school facilities in the Millbrae Elementary School District. To the extent this relationship exists, the District is justified in levying developer fees as authorized by Education Code Section 17620.

Reconstruction/Modernization Costs

In addition to any new facilities needed, there is also a need to reconstruct or modernize existing facilities to maintain the existing levels of service as students from new development continue to arrive in the District's facilities. To generate capacity, it may also be necessary to reopen closed school facilities. Such reopening often requires reconstruction to provide the District's existing level of service. For purposes of this report, the analysis of modernization/reconstruction includes the possible reopening and refurbishing of any closed or unused school facilities.

California has made a significant investment in school facilities through grants provided to help extend the useful life of public schools. The State's largest funding source for public school modernization projects, the School Facilities Program (SFP), requires a minimum local funding contribution of 40% of SFP-eligible costs. The State may provide up to 60% of the eligible costs at those times that State funding is available. However, SFP modernization grants frequently, if not usually, fall short of providing 60% of the actual costs for major modernizations. In the best cases, developer fees can help meet the District's required 40% local share. In many cases, developer fees may be necessary to supplement both the State's and the school district's contribution to a project.

Buildings generate eligibility for State reconstruction/modernization funding once they reach an age of 25 years old for permanent buildings and 20 years old for portables.

The usable life of school facilities is an important consideration in determining district facility needs into the future. The specific time when the projected residential developments will be built cannot be precisely predicted. Some new homes may be immediately occupied by families with school-aged children, while others may be immediately occupied who will have school-aged children in five to ten years. As a result of these variables, for each new home, the District must be prepared to house the students residing there for an extended period of time. Students generated by the next five years of development will need to be accommodated in District schools for a significant amount of time that

could exceed twenty years. Thus, the District will need to ensure that it has facilities in place for future decades.

As evidenced by the State Building program's use of the criteria that buildings older than twenty-five years (and portables older than twenty years) are eligible for modernization funds, school buildings require reconstruction/modernization to remain in use for students beyond the initial twenty to twenty-five years of life of those buildings. To the extent that the District has buildings older than twenty to twenty-five years old, the point will be reached without reconstruction/modernization that those buildings will no longer be able to provide the existing level of service to students, and may, in some circumstances, need to be closed entirely for health and safety reasons. However, because of the new development, reconstruction/modernization must occur to have available school housing for the students generated from development.

The following table shows the District's eligibility for modernization/reconstruction funding in the State Building Program.

Table 9

Modernization Project Needs

	Eligible Modernization Grants			State	District	Project
School	Elem	Middle	Spec Ed	Funding	Share	Total
Taylor Middle	0	851	0	$5,964,863	$3,976,576	$9,941,439
Green Hills Elem	397	0	0	$2,635,870	$1,757,246	$4,393,116
Lomita Park Elem	309	0	0	$2,051,596	$1,367,731	$3,419,327
Spring Valley Elem	427	0	0	$2,835,054	$1,890,035	$4,725,089
Meadows Elem	425	0	0	$2,821,775	$1,881,183	$4,702,958
TOTALS	**1,558**	**851**	**0**	**$16,309,158**	**$10,872,772**	**$27,181,929**

Table 10

New Development Share of Modernization Costs

	Eligible Modernization		New Development	
Grade	Grants	Students	$/Student	Amount
TK-6	1,558	49	$33,410	$1,637,090
7-8	851	12	$35,424	$425,088
Totals	**2,409**	**61**		**$2,062,178**

Includes students from new developments not housed in new facilities.
Amounts based on State OPSC allowances for new construction projects.

This data is used to show that there are significant needs within the school District to invest in its existing facilities. Without modernizing its schools, the District could be forced to begin closing some of its buildings and schools.

To accurately account for the portion of the modernization projects attributed to the impact of new developments, only the students from new developments that were not already housed in new facilities are included in the net needs for modernization projects. As can be seen in the charts, the net modernization needs due to new development impacts are much less than the total District modernization needs.

Impact of New Residential Development

This next table compares the development-related enrollment to the available district capacity for each grade level and then multiplies the unhoused students by the new school construction costs to determine the total school facility costs related to the impact of new residential housing developments.

The modernization needs are included for the students not housed in new facilities, but who would be housed in existing facilities that are eligible for and need to be modernized to provide adequate housing and to maintain the existing level of service for the students generated by development.

Table 11

Millbrae Elementary School District
Summary of Residential Impact

School Facility	Students Generated	Available Space	Net Unhoused	Construction Cost Per Student	Total Facility Costs
Elementary	49	197	0	$33,410	$0
Middle	12	221	0	$35,424	$0
Site Purchase: 0.0 acres					$0
Site Development:					$0
			New Construction needs due to development:		**$0**
			Modernization needs due to development:		**$2,062,178**
			TOTAL DEVELOPMENT IMPACT:		**$2,062,178**
			Average cost per student:		**$33,806**
			Total Residential Sq Ft:		**426,972**
			Residential Fee Justified:		**$4.83**

The total need for school facilities based solely on the impact of the 483 new housing units projected over the next five years totals $2,062,178. To determine the impact per square foot of residential development, this amount is divided by the total square feet of the projected developments. The average size home to be built will average 884 square feet. The total area for 483 new homes would therefore be 426,972 square feet. The total residential fee needed to be able to collect $2,062,178 would be **$4.83** per square foot.

Impact of Other Residential Development

In addition to new residential development projects that typically include new single-family homes and new multi-family units, the District can also be impacted by additional types of new development projects. These include but are not limited to redevelopment projects, additions to existing housing units including ADU's (accessory dwelling unit), and replacement of existing housing units with new housing units.

These development projects are still residential projects and therefore it is reasonable to assume they would have the same monetary impacts per square foot as the new residential development projects. However, only the impact is considered of the net increase in area for the residential projects. Therefore, the development impact fees should only be charged for other residential developments if the new building(s) exceed the square footage area of the previous building(s). If the new building is larger than the existing building, then it is reasonable to assume that additional students could be generated by the project. The project would only pay for the development impact fees for the net increase in assessable space generated by the development project. Education Code allows for an exemption from development impacts fees for any additions to existing residential structures that are 500 square feet or less.

Impact of Commercial/Industrial Development

There is a correlation between the growth of commercial/industrial firms/facilities within a community and the generation of school students within most business service areas. Fees for commercial/ industrial can only be imposed if the residential fees will not fully mitigate the cost of providing school facilities to students from new development.

The approach utilized in this section is to apply statutory standards, U.S. Census employment statistics, and local statistics to determine the impact of future commercial/industrial development projects on the District. Many of the factors used in this analysis were taken from the U.S. Census, which remains the most complete and authoritative source of information on the community in addition to the "1990 SanDAG Traffic Generators Report".

Employees per Square Foot of Commercial Development

Results from a survey published by the San Diego Association of Governments "1990 San DAG Traffic Generators" are used to establish numbers of employees per square foot of building area to be anticipated in new commercial or industrial development projects. The average number of workers per 1,000 square feet of area ranges from 0.06 for Rental Self Storage to 4.79 for Standard Commercial Offices. The generation factors from that report are shown in the following table.

Table 12

Commercial/Industrial Category	Average Square Foot Per Employee	Employees Per Average Square Foot
Banks	354	0.00283
Community Shopping Centers	652	0.00153
Neighborhood Shopping Centers	369	0.00271
Industrial Business Parks	284	0.00352
Industrial Parks	742	0.00135
Rental Self Storage	15541	0.00006
Scientific Research & Development	329	0.00304
Lodging	882	0.00113
Standard Commercial Office	209	0.00479
Large High Rise Commercial Office	232	0.00431
Corporate Offices	372	0.00269
Medical Offices	234	0.00427

Source: 1990 SanDAG Traffic Generators report

Students per Employee

The number of students per employee is determined by using the S0802: Means of Transportation to Work by Selected Characteristics 2018-2022 American Community Survey 5-Year Estimates and DP1: Profile of General Population and Housing Characteristics 2020: DEC Demographic Profile for the District. There were 12,745 employees and 9,226 homes in the District. This represents a ratio of 1.3814 employees per home.

There were 2,349 school age children attending the District in 2019. This is a ratio of 0.1843 students per employee. This ratio, however, must be reduced by including only the percentage of employees that worked in their community of residence (19%), because only those employees living in the District will impact the District's school facilities with their children. The net ratio of students per employee in the District is 0.0350.

School Facilities Cost per Student

Facility costs for housing commercially generated students are the same as those used for residential construction. The cost factors used to assess the impact from commercial development projects are contained in Table 11.

Residential Offset

When additional employees are generated in the District as a result of new commercial/industrial development, fees will also be charged on the residential units necessary to provide housing for the

employees living in the District. To prevent a commercial or industrial development from paying for the portion of the impact that will be covered by the residential fee, this amount has been calculated and deducted from each category. The residential offset amount is calculated by multiplying the following factors together and dividing by 1,000 (to convert from cost per 1,000 square feet to cost per square foot).

- Employees per 1,000 square feet (varies from a low of 0.06 for rental self storage to a high of 4.79 for office building).
- Percentage of employees that worked in their community of residence (19 percent).
- Housing units per employee (0.7239). This was derived from the 2018-2022 ACS 5 Year Estimates and DP1 data for the District, which indicates there were 9,226 housing units and 12,745 employees.
- Percentage of employees that will occupy new housing units (75 percent).
- Average square feet per dwelling unit (884).
- Residential fee charged by the District ($3.23 (60% of $5.38) per square foot).
- Average cost per student was determined in Table 11.

The following table shows the calculation of the school facility costs generated by a square foot of new commercial/industrial development for each category of development.

Table 13

Millbrae Elementary School District
Summary of Commercial and Industrial Uses

Type	Employees per 1,000 Sq. Ft.	Students per Employee	Students per 1,000 Sq. Ft.	Average Cost per Student	Cost per Sq. Ft.	Residential offset per Sq. Ft.	Net Cost per Sq. Ft.
Banks	2.83	0.0350	0.099	$33,806	$3.35	$0.83	$2.52
Community Shopping Centers	1.53	0.0350	0.054	$33,806	$1.81	$0.45	$1.36
Neighborhood Shopping Centers	2.71	0.0350	0.095	$33,806	$3.21	$0.80	$2.41
Industrial Business Parks	3.52	0.0350	0.123	$33,806	$4.17	$1.04	$3.13
Industrial Parks	1.35	0.0350	0.047	$33,806	$1.60	$0.40	$1.20
Rental Self Storage	0.06	0.0350	0.002	$33,806	$0.07	$0.02	$0.05
Scientific Research & Development	3.04	0.0350	0.106	$33,806	$3.60	$0.90	$2.70
Lodging	1.13	0.0350	0.040	$33,806	$1.34	$0.33	$1.01
Standard Commercial Office	4.79	0.0350	0.168	$33,806	$5.67	$1.41	$4.26
Large High Rise Commercial Office	4.31	0.0350	0.151	$33,806	$5.10	$1.27	$3.83
Corporate Offices	2.69	0.0350	0.094	$33,806	$3.18	$0.79	$2.39
Medical Offices	4.27	0.0350	0.150	$33,806	$5.05	$1.26	$3.79

*Based on 1990 SanDAG Traffic Generator Report

Net Cost per Square Foot

Since the Districts share of the State Maximum Fee is now $0.52 (60% of $0.87) for commercial/ industrial construction, the District is justified in collecting the maximum fee for all categories except for Rental Self Storage. The District can justify the collection of $0.05 per square foot of Rental Self Storage construction.

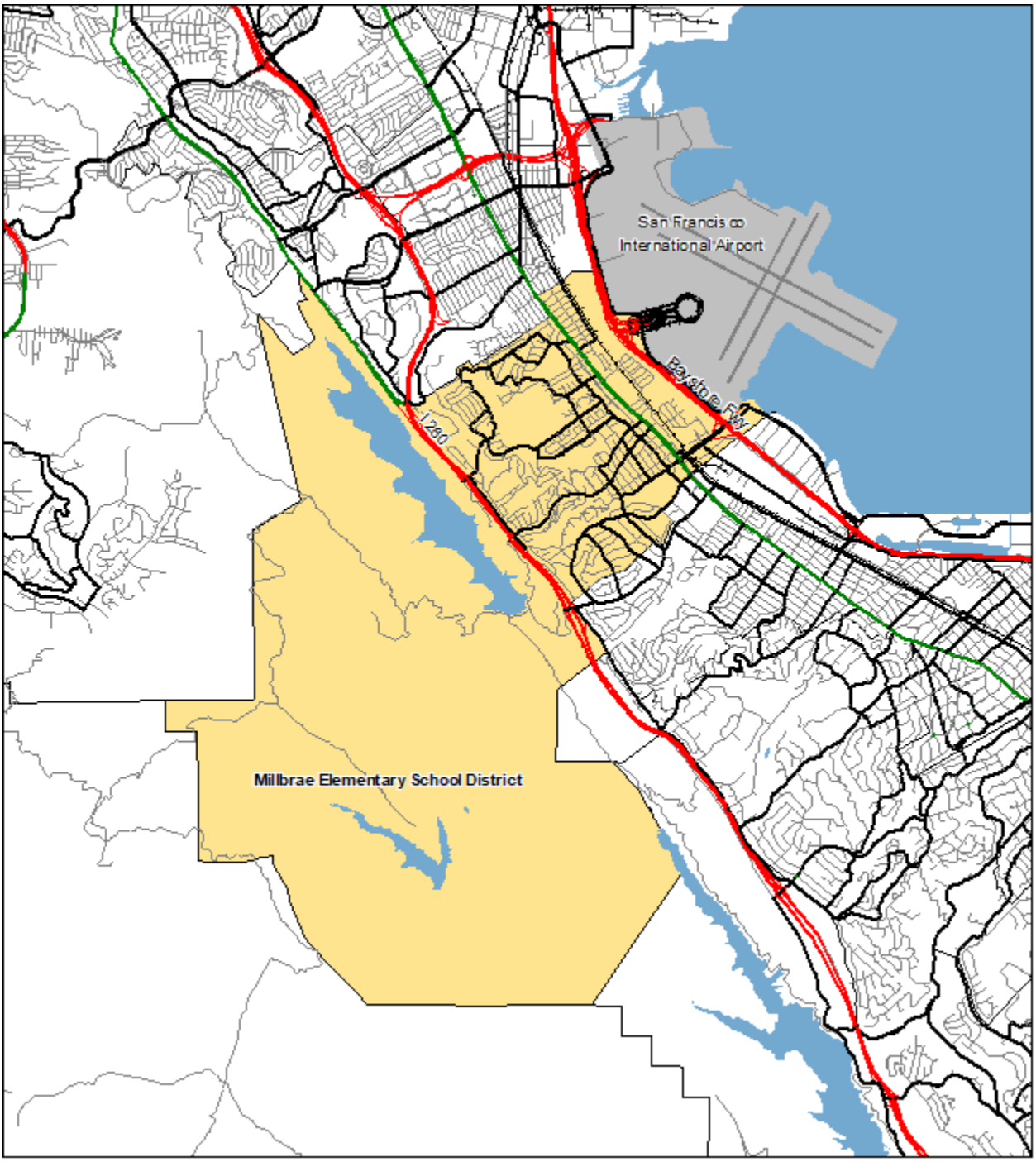
Verifying the Sufficiency of the Development Impact

Education Code Section 17620 requires districts to find that fee revenues will not exceed the cost of providing school facilities to the students generated by the development paying the fees. This section shows that the fee revenues do not exceed the impact of the new development.

The total need for school facilities resulting from new development totals $2,062,178. The amount the District would collect over the five-year period at the maximum rate of $3.23 (60% of $5.38) for residential and $0.52 (60% of $0.87) for commercial/industrial development would be as follows:
$3.23 x 483 homes x 884 sq ft per home = $1,379,120 for Residential
$0.52 x 120,045 sq ft per year x 5 years = $312,637 for Commercial/Industrial
Total projected 5 year income: $1,691,757
The estimated income is less than the projected facility needs due to the impact of new development projects.

District Map

The following map shows the extent of the areas for which development fees are applicable to the Millbrae Elementary School District.



Conclusion

Based on the data contained in this Study, it is found that a reasonable relationship exists between residential, commercial/industrial development and the need for school facilities in the Millbrae Elementary School District. The following three nexus tests required to show justification for levying fees have been met:

Burden Nexus: New residential development will generate an average of 0.125 TK-8 grade students per unit. Because the District does not have adequate facilities for all the students generated by new developments, the District will need to build additional facilities and/or modernize/reconstruct the existing facilities to maintain existing level of services in which the new students will be housed.

Cost Nexus: The cost to provide new and reconstructed facilities is an average of $4.83 per square foot of residential development. Each square foot of residential development will generate $3.23 (60% of $5.38) in developer fees resulting in a shortfall of $1.60 per square foot.

Benefit Nexus: The developer fees to be collected by the Millbrae Elementary School District will be used for the provision of additional and reconstructed or modernized school facilities. This will benefit the students to be generated by new development by providing them with adequate educational school facilities.

The District's planned use of the fees received from development impacts will include the following types of projects, each of which will benefit students from new developments.

1) New Schools: When there is enough development activity occurring in a single area, the District will build a new school to house the students from new developments.

2) Additions to Existing Schools: When infill development occurs, the District will accommodate students at existing schools by building needed classrooms and/or support facilities such as cafeterias, restrooms, gyms and libraries as needed to increase the school capacity. Schools may also need upgrades of the technology and tele-communication systems to be able to increase their capacity.

3) Portable Replacement Projects: Some of the District's capacity is in portables and therefore may not be included in the State's capacity calculations. These portables can be replaced with new permanent or modular classrooms to provide adequate space for students from new developments. These projects result in an increase to the facility capacity according to State standards. In addition, old portables that have reached the end of their life expectancy, will need to be replaced to maintain the existing level of service. These types of projects are considered modernization projects in the State Building Program. If development impacts did not exist, the old portables could be removed.

4) Modernization/Upgrade Projects: In many cases, students from new developments are not located in areas where new schools are planned to be built. The District plans to modernize or upgrade older schools to be equivalent to new schools so students will be housed in equitable facilities to those students housed in new schools. These projects may include updates to the building structures to meet current building standards, along with upgrades to the current fire and safety standards and any access compliance standards.

The District plans to use the developer fees on high risk playground structures at Spring Valley Elementary School and Green Hills Elementary School.

Per the District's agreement with the High School District, the elementary share of the developer fees collected is 60%. The reasonable relationship identified by these findings provides the required justification for the Millbrae Elementary School District to levy the maximum fees of $3.23 (60% of $5.38) per square foot for residential construction and $0.52 (60% of $0.87) per square foot for commercial/industrial construction, except for Rental Self Storage facilities in which a fee of $0.05 per square foot is justified as authorized by Education Code Section 17620.

Appendices

2026 Developer Fee Justification Study

Millbrae Elementary School District

PROFILE OF GENERAL POPULATION AND HOUSING CHARACTERISTICS

Note: This is a modified view of the original table produced by the U.S. Census Bureau. This download or printed version may have missing information from the original table.

	Millbrae Elementary School District, California	
Label	**Count**	**Percent**
SEX AND AGE		
MEDIAN AGE BY SEX		
RACE		
TOTAL RACES TALLIED [1]		
HISPANIC OR LATINO		
HISPANIC OR LATINO BY RACE		
RELATIONSHIP		
HOUSEHOLDS BY TYPE		
HOUSING OCCUPANCY		
Total housing units	9,692	100.0%
Occupied housing units	9,226	95.2%
Vacant housing units	466	4.8%
For rent	178	1.8%
Rented, not occupied	21	0.2%
For sale only	41	0.4%
Sold, not occupied	29	0.3%
For seasonal, recreational, or	49	0.5%
All other vacants	148	1.5%
VACANCY RATES		
Homeowner vacancy rate (percent)	0.8	(X)
Rental vacancy rate (percent) [5]	4.2	(X)
HOUSING TENURE		
Occupied housing units	9,226	100.0%
Owner-occupied housing units	5,212	56.5%
Renter-occupied housing units	4,014	43.5%

Table Notes

PROFILE OF GENERAL POPULATION AND HOUSING CHARACTERISTICS

Survey/Program: Decennial Census

Year: 2020

Table ID: DP1

Note: For information on data collection, confidentiality protection, nonsampling error, subject definitions, and guidance on using the data, visit the 20 Census Demographic and Housing Characteristics File (DHC) Technical Documentation webpage.

To protect respondent confidentiality, data have undergone disclosure avoidance methods which add "statistical noise" - small, random additions or subtractions - to the data so that no one can reliably link the published data to a specific person or household. The Census Bureau encourages data users to aggregate small populations and geographies to improve accuracy and diminish implausible results.

An "(X)" means not applicable.

An "-" means the statistic could not be computed because there were an insufficient number of observations.

[1] The alone or in combination categories are tallies of responses rather than respondents. That is, the alone or in combination categories are not mutually exclusive. Individuals who reported two races were counted in two separate and distinct alone or in combination race categories, while those who reported three races were counted in three categories, and so on. For example, a respondent who indicated "White
and
Black or African American" was counted in the White alone or in combination category as well as in the Black or African American alone or in combination category. Consequently, the sum of all alone or in combination categories equals the number of races reported (i.e., responses), which exceeds the total population.

[2] "Child" includes biological, adopted, and stepchildren of the householder.

[3] "Own children" includes biological, adopted, and stepchildren of the householder.

[4] The homeowner vacancy rate is the proportion of the homeowner inventory that is vacant "for sale." It is computed by dividing the total number of vacant units "for sale only" by the sum of owner-occupied units, vacant units that are "for sale only," and vacant units that have been sold but not yet occupied; and then multiplying by 100.

[5] The rental vacancy rate is the proportion of the rental inventory that is vacant "for rent." It is computed by dividing the total number of vacant units "for rent" by the sum of the renter-occupied units, vacant units that are "for rent," and vacant units that have been rented but not yet occupied; and then multiplying by 100.

Source: U.S. Census Bureau, 2020 Census Demographic Profile

Selected Housing Characteristics

United States® Census Bureau

Note: This is a modified view of the original table produced by the U.S. Census Bureau. This download or printed version may have missing information from the original table.

	Millbrae Elementary School District, California			
Label	**Estimate**	**Margin of Error**	**Percent**	**Percent Margin of Err**
⌄ HOUSING OCCUPANCY				
⌄ Total housing units	9,627	±391	9,627	(
Occupied housing units	9,041	±365	93.9%	±1
Vacant housing units	586	±179	6.1%	±1
Homeowner vacancy rate	0.3	±0.5	(X)	(
Rental vacancy rate	6.4	±3.0	(X)	(
⌄ UNITS IN STRUCTURE				
⌄ Total housing units	9,627	±391	9,627	(
1-unit, detached	5,752	±338	59.7%	±3
1-unit, attached	332	±111	3.4%	±1
2 units	116	±72	1.2%	±0
3 or 4 units	584	±221	6.1%	±2
5 to 9 units	818	±220	8.5%	±2
10 to 19 units	545	±201	5.7%	±2
20 or more units	1,406	±281	14.6%	±2
Mobile home	52	±67	0.5%	±0
Boat, RV, van, etc.	22	±38	0.2%	±0
⌄ YEAR STRUCTURE BUILT				
⌄ Total housing units	9,627	±391	9,627	(

Table Notes

Selected Housing Characteristics

Survey/Program: American Community Survey
Year: 2022
Estimates: 5-Year
Table ID: DP04

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, the decennial census is the official source of population totals for April 1st of each decennial year. In between censuses, the Census Bureau's Population Estimates Program produces and disseminates the official estimates of the population for the nation, states, counties, cities, an towns and estimates of housing units for states and counties.

Information about the American Community Survey (ACS) can be found on the ACS website. Supporting documentation including code lists, subject definitions, data accuracy, and statistical testing, and a full list of ACS tables and table shells (without estimates) can be found on the Technical Documentation section of the ACS website.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the
Methodology
section.

Source: U.S. Census Bureau, 2018-2022 American Community Survey 5-Year Estimates

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling erro (for a discussion of nonsampling variability, see ACS Technical Documentation). The effect of nonsampling error is not represented in these tables.

Households not paying cash rent are excluded from the calculation of median gross rent.

Telephone service data are not available for certain geographic areas due to problems with data collection of this question that occurred in 2019. Both ACS 1-year and ACS 5-year files were affected may take several years in the ACS 5-year files until the estimates are available for the geographic areas affected.

The 2018-2022 American Community Survey (ACS) data generally reflect the March 2020 Office of Management and Budget (OMB) delineations of metropolitan and micropolitan statistical areas. In certain instances, the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB delineation lists due to differences in the effective dates of the geographic entities.

Estimates of urban and rural populations, housing units, and characteristics reflect boundaries of urban areas defined based on 2020 Census data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Explanation of Symbols:

-

The estimate could not be computed because there were an insufficient number of sample observations. For a ratio of medians estimate, one or both of the median estimates falls in the lowest inter or highest interval of an open-ended distribution. For a 5-year median estimate, the margin of error associated with a median was larger than the median itself.

N

The estimate or margin of error cannot be displayed because there were an insufficient number of sample cases in the selected geographic area.

(X)

The estimate or margin of error is not applicable or not available.

median-

The median falls in the lowest interval of an open-ended distribution (for example "2,500-")

median+

The median falls in the highest interval of an open-ended distribution (for example "250,000+").

**

The margin of error could not be computed because there were an insufficient number of sample observations.

***

The margin of error could not be computed because the median falls in the lowest interval or highest interval of an open-ended distribution.

*****

A margin of error is not appropriate because the corresponding estimate is controlled to an independent population or housing estimate. Effectively, the corresponding estimate has no sampling erro and the margin of error may be treated as zero.

Means of Transportation to Work by Selected Characteristics

Note: This is a modified view of the original table produced by the U.S. Census Bureau. This download or printed version may have missing information from the original table.

	Millbrae Elementary School District, California		
	Total		Car, tru
Label	Estimate	Margin of Error	
Workers 16 years and over	12,745	±630	
EARNINGS IN THE PAST 12 MONTHS (IN 2022 INFLATION-ADJUSTED DOLLARS) FOR WORKERS			
POVERTY STATUS IN THE PAST 12 MONTHS			
Workers 16 years and over	12,745	±630	
Workers 16 years and over who did not work from home	10,644	±694	
TIME OF DEPARTURE TO GO TO WORK			
TRAVEL TIME TO WORK			
Less than 10 minutes	7.8%	±1.9	
10 to 14 minutes	11.2%	±2.7	
15 to 19 minutes	17.2%	±2.6	
20 to 24 minutes	13.0%	±2.4	
25 to 29 minutes	5.4%	±1.6	
30 to 34 minutes	13.7%	±2.3	
35 to 44 minutes	11.6%	±3.1	
45 to 59 minutes	11.4%	±2.2	
60 or more minutes	8.6%	±1.8	
Mean travel time to work (minutes)	28.0	±1.4	
Workers 16 years and over in households	12,697	±629	

Table Notes

Means of Transportation to Work by Selected Characteristics

Survey/Program: American Community Survey

Year: 2022

Estimates: 5-Year

Table ID: S0802

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, the decennial census is the official source of population totals for April 1st of each decennial year. In between censuses, the Census Bureau's Population Estimates Program produces and disseminates the official estimates of the population for the nation, states, counties, cities, an towns and estimates of housing units for states and counties.

Information about the American Community Survey (ACS) can be found on the ACS website. Supporting documentation including code lists, subject definitions, data accuracy, and statistical testing, and a full list of ACS tables and table shells (without estimates) can be found on the Technical Documentation section of the ACS website.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Source: U.S. Census Bureau, 2018-2022 American Community Survey 5-Year Estimates

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling erro (for a discussion of nonsampling variability, see ACS Technical Documentation). The effect of nonsampling error is not represented in these tables.

Foreign born excludes people born outside the United States to a parent who is a U.S. citizen.

Workers include members of the Armed Forces and civilians who were at work last week.

Industry titles and their 4-digit codes are based on the 2017 North American Industry Classification System. The Industry categories adhere to the guidelines issued in Clarification Memorandum No. "NAICS Alternate Aggregation Structure for Use By U.S. Statistical Agencies," issued by the Office of Management and Budget.

Occupation titles and their 4-digit codes are based on the 2018 Standard Occupational Classification.

When information is missing or inconsistent, the Census Bureau logically assigns an acceptable value using the response to a related question or questions. If a logical assignment is not possible, dat are filled using a statistical process called allocation, which uses a similar individual or household to provide a donor value. The "Allocated" section is the number of respondents who received an allocated value for a particular subject.

Several means of transportation to work categories were updated in 2019. For more information, see: Change to Means of Transportation.

In 2019, methodological changes were made to the class of worker question. These changes involved modifications to the question wording, the category wording, and the visual format of the categories on the questionnaire. The format for the class of worker categories are now listed under the headings "Private Sector Employee," "Government Employee," and "Self-Employed or Other." Additionally, the category of Active Duty was added as one of the response categories under the "Government Employee" section for the mail questionnaire. For more detailed information about the

2019 changes, see the 2016 American Community Survey Content Test Report for Class of Worker located at http://www.census.gov/library/working-papers/2017/acs/2017_Martinez_01.html.

The 2018-2022 American Community Survey (ACS) data generally reflect the March 2020 Office of Management and Budget (OMB) delineations of metropolitan and micropolitan statistical areas. In certain instances, the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB delineation lists due to differences in the effective dates of the geographic entities.

Estimates of urban and rural populations, housing units, and characteristics reflect boundaries of urban areas defined based on 2020 Census data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Explanation of Symbols:

-

The estimate could not be computed because there were an insufficient number of sample observations. For a ratio of medians estimate, one or both of the median estimates falls in the lowest interv or highest interval of an open-ended distribution. For a 5-year median estimate, the margin of error associated with a median was larger than the median itself.

N

The estimate or margin of error cannot be displayed because there were an insufficient number of sample cases in the selected geographic area.

(X)

The estimate or margin of error is not applicable or not available.

median-

The median falls in the lowest interval of an open-ended distribution (for example "2,500-")

median+

The median falls in the highest interval of an open-ended distribution (for example "250,000+").

**

The margin of error could not be computed because there were an insufficient number of sample observations.

***

The margin of error could not be computed because the median falls in the lowest interval or highest interval of an open-ended distribution.

*****

A margin of error is not appropriate because the corresponding estimate is controlled to an independent population or housing estimate. Effectively, the corresponding estimate has no sampling erro and the margin of error may be treated as zero.

SchoolWorks, Inc.
8700 Auburn Folsom Road, #200
Granite Bay, CA 95746
916.733.0402

Use of Developer Fees:

A School District can use the revenue collected on residential and commercial/industrial construction for the purposes listed below:

- Purchase or lease of interim school facilities to house students generated by new development pending the construction of permanent facilities.
- Purchase or lease of land for school facilities for such students.
- Acquisition of school facilities for such students, including:
  - Construction
  - Modernization/reconstruction
  - Architectural and engineering costs
  - Permits and plan checking
  - Testing and inspection
  - Furniture, Equipment and Technology for use in school facilities
- Legal and other administrative costs related to the provision of such new facilities
- Administration of the collection of, and justification for, such fees, and
- Any other purpose arising from the process of providing facilities for students generated by new development.

Following is an excerpt from the Education Code that states the valid uses of the Level 1 developer fees. It refers to construction and reconstruction. The term reconstruction was originally used in the Leroy Greene program. The term modernization is currently used in the 1998 State Building Program and represents the same scope of work used in the original reconstruction projects.

Ed Code Section 17620. (a) (1) The governing board of any school district is authorized to levy a fee, charge, dedication, or other requirement against any construction within the boundaries of the district, for the purpose of funding the construction or reconstruction of school facilities, subject to any limitations set forth in Chapter 4.9 (commencing with Section 65995) of Division 1 of Title 7 of the Government Code. This fee, charge, dedication, or other requirement may be applied to construction only as follows: …

The limitations referred to in this text describe the maximum amounts that can be charged for residential and commercial/industrial projects and any projects that qualify for exemptions. They do not limit the use of the funds received.

SchoolWorks, Inc.
8700 Auburn Folsom Road, Suite 200
Granite Bay, CA 95746
916.733.0402

Facility Problem Solvers

Determination of Average State allowed amounts for Site Development Costs

Elementary Schools

District	Project #	Acres	Original OPSC Site Development	Inflation Factor	2009 Adjusted Site Development	Project Year	2009 Cost/Acre	
Davis Jt Unified	3	9.05	$532,282	38.4%	$1,473,469	2004	$162,814	
Dry Creek Jt Elem	2	8.5	$516,347	46.2%	$1,509,322	2002	$177,567	
Dry Creek Jt Elem	5	11.06	$993,868	20.1%	$2,387,568	2006	$215,874	
Elk Grove Unified	5	12.17	$556,011	48.2%	$1,648,316	2001	$135,441	
Elk Grove Unified	10	11	$690,120	48.2%	$2,045,888	2001	$185,990	
Elk Grove Unified	11	10	$702,127	48.2%	$2,081,483	2001	$208,148	
Elk Grove Unified	14	10	$732,837	46.2%	$2,142,139	2002	$214,214	
Elk Grove Unified	16	9.86	$570,198	46.2%	$1,666,733	2002	$169,040	
Elk Grove Unified	17	10	$542,662	46.2%	$1,586,243	2002	$158,624	
Elk Grove Unified	20	10	$710,730	43.2%	$2,034,830	2003	$203,483	
Elk Grove Unified	25	10	$645,923	38.4%	$1,788,052	2004	$178,805	
Elk Grove Unified	28	10.03	$856,468	24.4%	$2,130,974	2005	$212,460	
Elk Grove Unified	39	9.91	$1,007,695	20.1%	$2,420,785	2006	$244,277	
Folsom-Cordova Unified	1	9.79	$816,196	20.1%	$1,960,747	2006	$200,281	
Folsom-Cordova Unified	4	7.5	$455,908	46.2%	$1,332,654	2002	$177,687	
Folsom-Cordova Unified	5	8	$544,213	46.2%	$1,590,776	2002	$198,847	
Folsom-Cordova Unified	8	8.97	$928,197	11.2%	$2,063,757	2007	$230,073	
Galt Jt Union Elem	2	10.1	$1,033,044	38.4%	$2,859,685	2004	$283,137	
Lincoln Unified	1	9.39	$433,498	46.2%	$1,267,148	2002	$134,947	
Lodi Unified	3	11.2	$555,999	46.2%	$1,625,228	2002	$145,110	
Lodi Unified	10	11.42	$1,245,492	46.2%	$3,640,669	2002	$318,798	
Lodi Unified	19	9.93	$999,164	11.2%	$2,221,545	2007	$223,721	
Lodi Unified	22	10	$1,416,212	7.7%	$3,051,426	2008	$305,143	
Natomas Unified	6	8.53	$685,284	46.2%	$2,003,138	2002	$234,834	
Natomas Unified	10	9.83	$618,251	43.2%	$1,770,061	2003	$180,067	
Natomas Unified	12	9.61	$735,211	24.4%	$1,829,275	2005	$190,351	
Rocklin Unified	8	10.91	$593,056	46.2%	$1,733,548	2002	$158,895	
Stockton Unified	1	12.66	$1,462,232	7.7%	$3,150,582	2008	$248,861	
Stockton Unified	2	10.5	$781,675	43.2%	$2,237,946	2003	$213,138	
Stockton Unified	6	12.48	$1,136,704	20.1%	$2,730,703	2006	$218,806	
Tracy Jt Unified	4	10	$618,254	46.2%	$1,807,204	2002	$180,720	
Tracy Jt Unified	10	10	$573,006	38.4%	$1,586,202	2004	$158,620	
Washington Unified	1	8	$446,161	46.2%	$1,304,163	2002	$163,020	**2026**
Washington Unified	4	10.76	$979,085	7.7%	$2,109,575	2008	$196,057	**Adjusted**
								Value
Totals		**341.16**			**$68,791,833**	**Average**	**$201,641**	**$353,149**

Middle and High Schools

District	Project #	Acres	Original OPSC Site Development	Inflation Factor	2009 Adjusted Site Development	Project Year	2009 Cost/Acre	
Western Placer Unified	4	19.3	$5,973,312	24.4%	$7,431,085	2005	$385,030	
Roseville City Elem	2	21.6	$1,780,588	48.2%	$2,639,311	2000	$122,190	
Elk Grove Unified	4	66.2	$8,659,494	48.2%	$12,835,704	2000	$193,893	
Elk Grove Unified	13	76.4	$9,791,732	48.2%	$14,513,986	2001	$189,974	
Elk Grove Unified	18	84.3	$13,274,562	43.2%	$19,002,626	2003	$225,417	
Grant Jt Union High	2	24	$2,183,840	48.2%	$3,237,039	2000	$134,877	
Center Unified	1	21.2	$1,944,310	46.2%	$2,841,684	2002	$134,042	
Lodi Unified	2	13.4	$1,076,844	46.2%	$1,573,849	2002	$117,451	
Lodi Unified	6	13.4	$2,002,164	46.2%	$2,926,240	2002	$218,376	
Galt Jt Union Elem	1	24.9	$2,711,360	46.2%	$3,962,757	2002	$159,147	
Tahoe Truckee Unified	2	24	$2,752,632	43.2%	$3,940,412	2003	$164,184	
Davis Unified	5	23.3	$3,814,302	43.2%	$5,460,199	2003	$234,343	
Woodland Unified	3	50.2	$8,664,700	46.2%	$12,663,792	2002	$252,267	
Sacramento City Unified	1	35.2	$4,813,386	46.2%	$7,034,949	2002	$199,856	
Lodi Unified	4	47	$7,652,176	46.2%	$11,183,950	2002	$237,956	
Stockton Unified	3	49.1	$8,959,088	43.2%	$12,824,996	2003	$261,202	
Natomas Unified	11	38.7	$3,017,002	38.4%	$4,175,850	2004	$107,903	**2026**
Rocklin Unified	11	47.1	$11,101,088	24.4%	$13,810,282	2005	$293,212	**Adjusted**
Totals		**679.3**			**$142,058,711**	Average	$209,125	**Value**
Middle Schools:		**260.7**			**$49,447,897**	Middle	$189,704	**$332,244**
High Schools:		**418.6**			**$92,610,814**	High	$221,217	**$387,434**

INDEX ADJUSTMENT ON THE ASSESSMENT FOR DEVELOPMENT

PURPOSE OF REPORT

To adopt the biennial index adjustment on the assessment for development, which may be levied pursuant to Education Code Section 17620.

DESCRIPTION

The law requires the maximum assessment for development be adjusted every two years by the change in the Class B construction cost index, as determined by the State Allocation Board (Board) in each calendar year. This item requests that the Board make the adjustment based on the change reflected using the RS Means (The Gordian Group, Inc.[1]) index.

AUTHORITY

Education Code Section 17620(a)(1) states the following: "The governing board of any school district is authorized to levy a fee, charge, dedication, or other requirement against any construction within the boundaries of the district, for the purpose of funding the construction or reconstruction of school facilities, subject to any limitations set forth in Chapter 4.9 (commencing with Section 65995) of Division 1 of Title 7 of the Government Code…"

Government Code Section 65995(b)(3) states the following: "The amount of the limits set forth in paragraphs (1) and (2) shall be increased in 2000, and every two years thereafter, according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the State Allocation Board at its January meeting, which increase shall be effective as of the date of that meeting."

BACKGROUND

There are three levels that may be levied for developer fees. The fees are levied on a per-square foot basis. The lowest fee, Level I, is assessed if the district conducts a Justification Study that establishes the connection between the development coming into the district and the assessment of fees to pay for the cost of the facilities needed to house future students. The Level II fee is assessed if a district makes a timely application to the Board for new construction funding, conducts a School Facility Needs Analysis pursuant to Government Code Section 65995.6, and satisfies at least two of the requirements listed in Government Code Section 65995.5(b)(3). The Level III fee can be assessed if a school district meets requirements to adopt Level I fees and the Board is no longer approving apportionments for new construction due to a lack of state funds available for this

[1] Effective September 27, 2025, RS Means was transitioned under the company's unified entity, The Gordian Group, Inc.

purpose. Level III fees are intended to provide up to 100 percent of the School Facility Program new construction project cost.

STAFF ANALYSIS/STATEMENTS

A historical comparison of the assessment rates for development fees for 2022 and 2024 are shown below for information. According to the RS Means (The Gordian Group, Inc.), the cost index for Class B construction increased by 4.06 percent during the two-year period from January 2024 to January 2026, requiring the assessment for development fees to be adjusted as follows beginning January 2026:

RS Means (The Gordian Group, Inc.) Index
Maximum Level I Assessment Per Square Foot

	2022	2024	2026
Residential	$4.79	$5.17	$5.38
Commercial/Industrial	$0.78	$0.84	$0.87

RECOMMENDATION

Increase the 2026 maximum Level I assessment for development in the amount of 4.06 percent using the RS Means (The Gordian Group, Inc.) Index to be effective immediately.

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

PURPOSE OF REPORT

To adopt the annual adjustment to the School Facility Program (SFP) grants based on the change in construction costs pursuant to the Education Code (EC) and SFP Regulations.

DESCRIPTION

This item presents the State Allocation Board (Board) with the annual adjustment to the SFP grants based on the statewide cost index for Class B construction. Each year the Board adjusts the SFP grants to reflect construction cost changes. In January 2016, the Board adopted the RS Means (The Gordian Group, Inc.[1]) index for use in 2016 and future years. This item presents the 2026 annual adjustment to SFP grants based on the RS Means (The Gordian Group, Inc.) index.

AUTHORITY

See Attachment A.

STAFF ANALYSIS/STATEMENTS

At the January 2016 meeting, the Board adopted an increase to the SFP grants using the RS Means (The Gordian Group, Inc.) Construction Cost Index (CCI) as the statewide cost index for Class B construction.

The current rate of change between 2025 and 2026 for the RS Means (The Gordian Group, Inc.) Class B CCI is 3.56 percent. The chart below reflects the amounts previously adopted for 2025 compared to the potential amount for the new construction base grants.

RS Means (Gordian Group, Inc.) 3.56%

Grade Level	Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-25	*Potential Grant Per Pupil Effective 1-1-26*
Elementary	1859.71	$15,847	$16,411
Middle	1859.71	$16,761	$17,358
High	1859.71	$21,327	$22,086
Special Day Class – Severe	1859.71.1	$44,531	$46,116
Special Day Class – Non-Severe	1859.71.1	$29,782	$30,842

[1] Effective September 27, 2025, RS Means was transitioned under the company's unified entity, The Gordian Group, Inc.

STAFF ANALYSIS/STATEMENTS (cont.)

The following chart shows the amounts previously adopted compared to the potential amount for the modernization base grants.

RS Means (Gordian Group, Inc.) 3.56%

Grade Level	Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-25	*Potential Grant Per Pupil Effective 1-1-26*
Elementary	1859.78	$6,034	$6,249
Middle	1859.78	$6,381	$6,608
High	1859.78	$8,356	$8,653
Special Day Class – Severe	1859.78.3	$19,232	$19,917
Special Day Class – Non-Severe	1859.78.3	$12,867	$13,325

In addition, the CCI adjustment would increase the threshold amount for Government Code Section 66452.6(a)(2) for the period of one year commencing March 1, 2026. The following chart shows the amount previously adopted for 2025 compared to the resulting threshold amount, upon approval of the proposed 2026 CCI adjustment.

RS Means (Gordian Group, Inc.) 3.56%

	Effective 3-1-2025	Potential 3-1-2026
Resulting Amount	$399,010	$413,215

RECOMMENDATION

Adopt the increase of 3.56 percent for the 2026 SFP grants based on the RS Means (The Gordian Group, Inc.) Construction Cost Index as shown in Attachment B.