



July 24, 2014

CHANGES TO PUBLIC WORKS PREVAILING WAGE MONITORING STATUTES AND NEW SURPLUS PROPERTY DISPOSAL REGULATIONS

Prevailing Wage Monitoring

Effective June 20, 2014, the Department of Industrial Relations (DIR) will no longer charge awarding bodies a small percentage of their state bond funds for prevailing wage compliance monitoring and enforcement by the CMU. Instead, SB 854 establishes a new public works contractor registration program, which will collect an annual fee (currently set at \$300 per year) from all public work contractors and subcontractors. The fee will be utilized to fund all aspects of prevailing wage monitoring and enforcement as well as coverage determinations and appeals. Contractor registration will be web based through the portal <http://www.dir.ca.gov//dlse/dlsePublicWorks.html>.

Of particular importance to LEA's is the requirement under the new law that, effective immediately, the awarding agency shall file with DIR a Notice of Award of the contract for all public works projects (including maintenance projects), not just state bond funded projects, within five (5) days of award utilizing Form PWC 100 found at <https://www.dir.ca.gov/pwc100ext/>.

Other important dates contained in the law are as follows:

By January 1, 2015, local agencies must include in their call for bids and contract documents provisions that specify that the project is subject to compliance monitoring and enforcement by DIR.

By March 1, 2015, all bid proposals must require all contractors and subcontractors to prove compliance with these new requirements, including proper registration with DIR.

By April 1, 2015, no public works contract shall be awarded to a contractor who has not registered with DIR, and no contractor shall perform work on a public works project unless the firm is properly registered with DIR.

Schools Legal Service's construction contracts and other bid package documents will be updated as necessary to comply with these requirements.

Surplus Property Disposal

The State Allocation Board (SAB) has approved regulations to implement AB 308 (Stats. 2013) which requires any school district, county office of education or charter school to return monies from the sale of a state School Facilities Program (SFP) funded site to certain parties if all or a portion of it is sold within 10 years of receipt of SFP funds. The regulations create the Return of Real Property Sale Proceeds Program (Program).

Under the Program, within 90 days of the sale of real property meeting the requirements above, the district must notify the Office of Public School Construction (OPSC) of the sale by submitting form SAB 308. The SAB will then make a finding of the amount due the Program, which the district is required to pay within 90 days of OPSC's finding. The complete text of the regulations can be found at <http://www.dgs.ca.gov/opsc/AboutUS/sab.aspx>. AB 308 and the regulations promulgated thereunder do not require the return of funds if the property is sold to a charter school, school district, county office of education, or an agency that will use the property to deliver child care and development services.

If you have any questions concerning this update or related issues, do not hesitate to contact our office.

— Christopher P. Burger

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