

BUSINESS & FACILITIES UPDATE

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Governor Approves Higher Project Cost Thresholds for DSA Review.

On June 27, 2016, Governor Brown approved Senate Bill 836, which increases the project cost thresholds for review by the Division of the State Architect ("DSA"). The DSA provides design and construction oversight for K-12 schools and community colleges. For structural projects, the new law increases from \$42,218 to \$100,000 the estimated cost threshold for DSA review. For nonstructural projects, the new law increases from \$168,187 to \$225,000 the estimated cost threshold for DSA review.

The new law also increases the amounts in existing law so that when the estimated cost of reconstruction or alteration exceeds \$100,000, but does not exceed \$225,000, a licensed structural engineer is required to examine the proposed project to determine whether it involves structural alteration.

The new law authorizes the DSA to increase these dollar amounts on an annual basis, commencing on January 1, 2018, according to an inflationary index governing construction costs.

The new law was effective June 27, 2016.

(SB 836 amends sections 17295 and 81133 of the Education Code related to the budget, as well as other sections of the Education and other codes not related to DSA review.)

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