STATE ALLOCATION BOARD
1130 K Street, Suite 400
Sacramento, CA 95814

IMPLEMENTATION COMMITTEE MINUTES

December 2, 2005

East End Complex
1500 Capitol Avenue
Rooms 72.149B and 72.148C
Sacramento

Members Present

Mavonne Garrity, SAB
Kathy Hicks, OPSC
Fred Yeager, CDE
Chad Rohrs, DOF
Richard Conrad, DSA (Alternate for Dennis Bellet)
Constantine Baranoff, SSD
Margie Brown, CASBO (Alternate for John Palmer)
Mark DeMan, LAUSD
Eric Hall, CASH
Brian Wiese, AIA
Gary Gibbs, CBIA
Debra Pearson, SSDA
Dennis Dunston, CEFPI
Nina Young, CCSESA (Alternate for William Cornelison)

Members Absent

Jay Hansen, SBCTC

IMPLEMENTATION OF ASSEMBLY BILL 491

The topic was introduced by Mavonne Garrity and presented by Office of Public School Construction (OPSC) staff members Eric Bakke, Masha Lutsuk and Chris DeLong.

The first item of discussion was the eligibility for the alternative enrollment projection method provided for by Assembly Bill (AB) 491, Chapter 710, Statutes of 2005 (Goldberg). School districts will certify with the California Department of Education (CDE) that they meet the eligibility criteria by having at least two sites that meet the density requirements specified in law. CDE will review the certification and issue a letter confirming district's eligibility.

Audience members voiced concerns that the requirement to maximize all existing available eligibility tools may limit participation in the program as some districts have limited resources. Staff stated that the law provides for additional eligibility to be authorized in addition to the cohort enrollment projection methodology. Staff also suggested that this requirement would actually enable more districts to benefit from this law as the amount of bond dollars that will be requested and apportioned as a result of using the alternative eligibility method would be less per district by maximizing the cohort eligibility.

Next, Staff explained the process and timelines proposed for review of applications for the alternative enrollment projection methods. The Committee Chair introduced Ms. Mary Heim, Chief Demographer of the Demographic Research Unit (DRU), California Department of Finance, who answered some of the questions from the audience and Committee members. The audience expressed concern over the proposed 120-day processing period and urged for an expedited review process by State agencies. Staff clarified that the processing period can be as short as 30 days for complete applications but will be longer when information provided is incorrect or insufficient. The review period can also be extended to approximately 120 days during the times of

the year when the DRU has an increased workload related to budget processes (September through November) and verification of enrollment data (mid-March to mid-April).

In discussing the requirements for the applications of the alternative enrollment projections, the audience and Committee members questioned the need for 10 years worth of historical data and whether or not the requirement applies equally to all enrollment projection methods. During the discussion, Staff agreed to consider revising the 10-year requirement down to three years for historical data.

School district representatives requested the OPSC to provide a checklist for applications for alternative enrollment projections to ensure that districts have clear guidelines on the documents to be submitted. Staff plans to spell out the guidelines for submittal in regulations and can incorporate the guidelines in checklist form as well.

Further discussion revealed differences in opinion on the appropriate way to implement the provisions of the new law. Some believe that the alternative enrollment projection method should be treated with greater scrutiny as it represents an exception to the rule and is intended for districts that cannot meet the housing needs via the cohort survival method. Others feel that, initially, there should be very few restrictions on the applications for the alternative projection methods and further modifications to the program can be made after it has been in existence for some time and school districts have had a chance to participate in it.

Audience members requested the OPSC to consider implementing the program with a grandfathering provision to allow school districts to use the alternative enrollment projection method to justify projects that may be occupied prior to the regulations being approved by the Office of Administrative Law. OPSC announced that the applications for alternative enrollment projections may be submitted for review upon approval of proposed regulations by the State Allocation Board (SAB) and prior to the regulations becoming effective in order to expedite the process. However, new construction funding applications using the eligibility generated by the alternative enrollment projection can only be submitted once the regulations become effective. Staff will look into the possibility of seeking approval of regulations on an emergency basis.

Staff stated that requests to utilize alternative enrollment projection methodologies will be accepted on an ongoing basis with subsequent applications for funding based on OPSC received date, and discussed the availability of funds for applications that utilize pupil grants generated by the alternative projection method. OPSC plans to track the expenditure of $500 million available for these projects and audience members stated that it would be helpful if the OPSC provided this information to the public.

Staff presented examples of calculations of additional available eligibility in relation to cohort survival method projection and baseline eligibility. Audience members asked staff to consider a provision for applications that utilized pupil grants from both the additional eligibility generated by alternative enrollment projection and regular School Facility Program eligibility. Staff agreed and stated that in order to determine how much bond dollars should be deducted from the $500 million, a proration would be applied. Staff also made note on the correction needed on discussion item number four, example two, for the additional available eligibility which should be 1,000 instead of 750 for a combined eligibility of 1,250.

AB 491 directs OPSC to make a determination on whether or not individual projects relieve overcrowding and the OPSC plans to request a letter, and any supporting documentation, from applicant school districts to accompany each funding application that explains how each particular project relieves overcrowding including consideration of projects that received preliminary apportionments under the Critically Overcrowded School Facilities Program.

Staff discussed a provision of AB 491, which directs districts to calculate the alternative enrollment projection method in the same manner used to calculate enrollment projections under the cohort survival method, i.e. district wide or High School Attendance Area (HSAA) reporting. Staff also pointed out that once an alternative enrollment projection method has been approved, an applicant district should utilize the same method for all applications that relieve overcrowding. In addition, if a district reports enrollment on a high school attendance area basis, the same alternative enrollment projection method should be used for all high school attendance areas in the district. Furthermore, if, initially, a district calculates the alternative eligibility on a district-wide basis and wants to later switch enrollment reporting from district-wide to HSAA, it can do so under the SFP Regulations, however, the alternative enrollment methodology cannot be changed and therefore must be able to work on a district-wide and HSAA-basis.

Staff announced that it plans to bring forward draft regulations for the implementation of AB 491 to the January Implementation Committee meeting.

2006 IMPLMENATION COMMITTEE MEETING CALENDAR

The January meeting has been rescheduled from Friday, January 6 to Thursday, January 5. Committee members also agreed to change the September 2006 meeting from September 1 to September 8 due to the Labor Day holiday. All other dates have been agreed upon as scheduled by the OPSC.

The Chair of the Committee also announced that the Good Repair Report discussed at the last meeting is scheduled for presentation at the SAB meeting on January 26, 2006.

ADJOURNMENT AND NEXT MEETING

The meeting adjourned at 12:00 noon. The next Implementation Committee meeting is scheduled for Thursday, January 5, 2006 at 9:30 a.m. and will be held at the East End Complex Auditorium, 1500 Capitol Avenue, in Sacramento.