

INITIAL STATEMENT OF REASONS

Section 1859.302. Definitions.

Specific Purpose of the Regulation

To amend the revision dates on the Forms SAB 61-03, *Grant Request*, and SAB 61-03, *Expenditure Report*.

Need for the Regulation

It was necessary to amend the revision dates on the forms to reflect the correct date of the latest modifications to the forms.

Section 1859.324.1. Grant Adjustments.

Specific Purpose of the Regulation

To change the timing of when a Local Educational Agency (LEA) submits the Form SAB 61-04 and to delete regulatory language that is no longer applicable.

Need for the Regulation

It was necessary to amend the process for the return of Emergency Repair Program (ERP) appropriations in excess of actual project expenditures to the State. Since the demand for program funds is very high, reducing the time an LEA has to return excess appropriations will enable a more expeditious reallocation of funding for additional ERP applications.

Section 1859.324.2. Interest Earned on ERP Grants.

Specific Purpose of the Regulation

To set forth the application of interest earned on ERP apportionments.

Need for the Regulation

It was necessary to add provisions to specify when interest earned on grant apportionments would be applied to eligible project costs or when funds must be returned with interest earned on appropriations in excess of actual project expenditures to the State.

Section 1859.330. Time Limit on Grant Apportionment.

Specific Purpose of the Regulation

To amend the time limits on grant apportionments.

Need for the Regulation

It was necessary to extend the time limits on grant apportionments by three months. The LEAs expressed concerns that they could not complete emergency repairs or replacements and submit the Form SAB 61-04, with savings and interest calculated and remitted to the OPSC, within the time limit. The time limit was extended three months to provide LEAs with more time to finalize the repair or replacement projects and complete the necessary forms.

EMERGENCY REPAIR PROGRAM FORMS

Grant Request, Form SAB 61-03 (Revised 12/08)

Specific Purpose of the Form

To amend the Form and instructions to reflect the changes made to the regulations.

Need for the Form

Page 1, Column 1, "General Information and Required Documentation," 1st paragraph: It was necessary to make non-substantive changes to clarify that the section referenced was from the ERP Regulations.

Page 1, Column 1, "General Information and Required Documentation," 2nd paragraph: It was necessary to delete language to clarify that documentation is required to be included when a LEA submits this Form to the OPSC, not retain it on file.

Page 1, Column 1, "General Information and Required Documentation," numbered paragraph 3: It was necessary to amend the language to further clarify what documentation is required to be included when a LEA submits this Form to the OPSC. It was also necessary to make non-substantive changes to clarify that the section referenced was from the ERP Regulations.

Page 1, Column 1, "General Information and Required Documentation," last paragraph: It was necessary to add language to clarify what documentation is required to be retained by the LEA after it submits this Form to the OPSC.

Page 1, Column 2, "Specific Instructions," Part A, 3rd bullet: It was necessary to add language to clarify how the LEA should properly fill out Part A of this Form when the project has already been completed.

Page 1, Column 2, "Specific Instructions," Part B: It was necessary to delete the previous language and add in new language to reflect changes made to Part B of this Form and to clarify how to calculate the amounts that the LEA will list in Part B on this Form.

Page 2, Part A, Project Detail, "Type of Health/Safety Document(s) Attached": It was necessary to include the FIT with the existing IEI option for health and safety documentation to specify that the FIT is an eligible health and safety document.

Page 3, Part B, Total Grant Request: It was necessary to add this additional information to this section in order to delineate construction costs from submittal costs for the OPSC to make a more accurate funding presentation to the State Allocation Board.

Page 3, Part C, Certifications: It was necessary to amend this section to clarify that the sections referenced throughout Part C were from the ERP Regulations. Also, it was necessary to make corresponding changes to a specific section name on the Form SAB 61-04 as well as to reflect that same change in the 11th bullet on this Form.

Expenditure Report, Form SAB 61-04 (Revised 12/08)

Specific Purpose of the Form

To amend the Form and instructions to reflect the changes made to the regulations.

Need for the Form

Page 1, Column 1, 1st Paragraph: It was necessary to add language to the instructions that state that due to changes in the ERP regulations, LEAs may be required to submit a check to the OPSC at the same time they submit this Form.

Page 1, Column 1, "Required Documentation to Submit to OPSC": It was necessary to add language to specify what the LEAs are required to submit to the OPSC concurrently with this Form.

Page 1, Column 1, "Required Documentation to Retain on File": It was necessary to amend the language to specify the documentation the LEA must retain on file in case the OPSC should request it during an audit. It was necessary to make minor changes to the 4th bullet to state that a specific section referenced is part of the ERP Regulations and to clarify that a cost comparison is not required if previously submitted. It was also necessary to remove the 10th bullet as this language was relocated to the "Required Documentation to Submit to the OPSC" section of this Form.

Page 1, Column 2, "Specific Instructions," Part A, 1st paragraph: It was necessary to add language to state that LEAs must complete the project detail line for each corresponding project detail line on the Form SAB 61-03 even if the Form SAB 61-03 is submitted concurrently with this Form.

Page 1, Column 2, "Specific Instructions," Part A, 1st bullet: It was necessary to add language to clarify that LEAs must choose a project type for each corresponding project type on the Form SAB 61-03 even if the Form SAB 61-03 is submitted concurrently with this Form.

Page 1, Column 2, "Specific Instructions," Part A, 2nd bullet: It was necessary to provide this language to specify how to properly fill out the forms. The original sentence was deleted and three bullets were added to provide clarifying instructions for filling out the project costs, submittal costs, and grand total costs.

Page 1, Column 2, "Parts B Through F": It was necessary to state to the LEAs upfront that when submitting this Form concurrently with the Form SAB 61-03, N/A should be entered; otherwise, follow the directions.

Page 1, Column 2, “Part B. Total Grant Amount”: It was necessary to amend Part B by deleting language that no longer applies due to changes to the regulations, and adding language to clarify how to properly fill out the revised form because Part B of the form is no longer the Total Expenditure Amount, but rather the Total Grant Amount received by the LEA.

Page 1, Column 2, “Part C. Interest Earned”: It was necessary to add new language so the OPSC can verify the amounts submitted by the LEA because the LEAs are now required to submit a check concurrently with this Form if they have savings.

Page 1, Column 2, “Part D. Total Grant with Interest”: It was necessary to add new language to assist the LEAs in calculating, with interest, their total grant adjustment or excess apportionment.

Page 1, Column 2, “Part E.”: It was necessary to add new language to assist the LEAs in calculating their total grant adjustment.

Page 1, Column 2, “Part F.”: It was necessary to add new language to assist the LEAs in calculating their total excess apportionment.

Page 1, Column 2, “Part G. Certifications”: It was necessary to renumber alphabetically the “Parts” because Certifications has changed from Part C to Part G.

Page 2, Part A, Project Detail table: It was necessary to delete four columns from the Project Detail table and add a row for submittal costs so this Form more accurately reflects information presented on the Form SAB 61-03.

Page 3, “Part B, Total Grant Amount”: It was necessary to amend Part B by deleting language that no longer applies due to changes to the regulations, and adding new language to clarify how to properly fill out the revised form because Part B of the form is no longer the Total Expenditure Amount, but rather the Total Grant Amount received by the LEA.

Page 3, “Part C, Interest Earned”: It was necessary to add this line so the OPSC can verify the amounts submitted by the LEA because the LEAs are now required to submit a check concurrently with this Form if they have savings.

Page 3, “Part D, Total Grant with Interest”: It was necessary to add this line to assist the LEAs in calculating, with interest, their total grant adjustment or excess apportionment.

Page 3, “Part E”: It was necessary to add this line to assist the LEAs in calculating their total grant adjustment.

Page 3, “Part F”: It was necessary to add this line to assist the LEAs in calculating their total excess apportionment and to provide instruction on submitting checks to the OPSC.

Page 3, “Part G, Certifications”: It was necessary to amend this section to clarify that the sections referenced throughout Part G were from the ERP Regulations. Also, it was necessary to make corresponding changes to a specific section name on this Form as well as to reflect that same change to the 2nd bullet on this Form.

Detail Listing of Warrants Worksheet (New 12/08)

Specific Purpose of the Worksheet

To establish a worksheet that substantiates the costs listed on the Form SAB 61-04.

Need for the Form

It was necessary to create a worksheet listing the warrants paid by the LEA because the LEAs are now required to return interest earned on excess appropriations, as well as the excess appropriations at the time they submit the Form SAB 61-04. This worksheet enables the OPSC to substantiate the costs indicated on the Form SAB 61-04 prior to funding submittal to the State Allocation Board.

DOCUMENTS RELIED UPON AND STATEMENTS REGARDING THE RULEMAKING

Technical Documents Relied Upon

The State Allocation Board's Action item, dated December 10, 2008, entitled "Emergency Repair Program Regulations."

Alternatives to the Proposed Regulatory Action that would be as Effective and Less Burdensome to Private Persons

The SAB finds that no alternatives it has considered would be more effective in carrying out the purpose of the proposed regulations or would be as effective and less burdensome to affected private persons than the proposed regulations.

Alternatives to the Proposed Regulatory Action that would Lessen any Adverse Economic Impact on Small Business

The SAB has determined that the proposed regulations do not affect small businesses.

Finding of Significant Adverse Economic Impact on Businesses

The SAB has determined that the adoption of the regulations will not affect businesses, including small businesses, because they are not required to comply with or enforce the regulations, nor will they benefit from or be disadvantaged by the regulations.

Impact on Local Agencies or School Districts

The SAB has determined that the proposed regulations do not impose a mandate or a mandate requiring reimbursement by the State pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code. It will not require local agencies or school districts to incur additional costs in order to comply with the proposed regulations.