

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 28, 2004

INDEX ADJUSTMENT ON THE ASSESSMENT FOR DEVELOPMENT

PURPOSE OF REPORT

To report the index adjustment in the assessment for development which may be levied pursuant to Education Code Section 17620.

AUTHORITY

Education Code Section 17620 gives school districts the authority for assessments for development within the boundaries of their districts for the purpose of funding construction or reconstruction of school facilities, subject to the limitations set forth in Chapter 4.9, commencing with Section 65995, of the Government Code.

DESCRIPTION

The law requires the maximum assessment for development be adjusted in 2004 and every two years thereafter by the change in the Class B construction cost index, as determined by the State Allocation Board at its January Board meeting.

The cost index for Class B construction increased 4.90 percent during the period December 2001 through December 2003, requiring the assessment for development fees to be adjusted as follows:

	2002 <u>Maximum Assessment</u>	2004 <u>Maximum Assessment</u>
Residential	\$2.14	\$2.24
Commercial/Industrial	.34	.36

The adjusted maximum assessments are effective immediately.

RECOMMENDATION

Accept this report.

This Item was approved by the State Allocation Board on January 28, 2004.