

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, February 26, 1997

REDIRECTION OF CLASS SIZE REDUCTION FUNDS

PURPOSE OF REPORT

To present a proposal to redirect funds previously set aside for other programs.

DESCRIPTION

At the January 22, 1997 meeting, the State Allocation Board (SAB) directed that \$119.2 million in funds no longer needed for certain Programs be placed in the "Contingency Reserves" pending a proposal from the SAB Implementation Committee and the Office of Public School Construction (OPSC) to redirect these funds to other programs administered by the SAB. Funds reserved and available for redirection are as follows:

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|---|---------------------|
| Classsize Reduction Program | \$95.0 million |
| Northridge Earthquake Program | 14.2 million |
| Educational Technology (modernization projects) | <u>10.0 million</u> |
| Total | \$119.2 million |

The SAB Implementation Committee and the OPSC have developed the following recommendations for the redirection of these funds:

RECOMMENDATIONS

1. Set aside \$15 million for Joint Use projects. Direct the SAB Implementation Committee and the OPSC to develop a program for distribution of these funds for consideration by the SAB at the March, 1997 meeting.
2. Set aside \$2.5 million for Child Care Facilities. Provide that application requests will not be processed by the OPSC until the existing workload, including appeals and Proposition 203 requests, have been addressed.
3. Set aside \$5 million for planning costs for small districts with less than 2501 estimated average daily attendance for priority one or two projects. Funds available on a first come first serve basis.
4. Set aside \$5 million for County Offices of Education that have lost facilities as a result of class size reduction. Direct the SAB Implementation Committee and the OPSC to develop a program for distribution of these funds for consideration by the SAB at the March, 1997 meeting.
5. Set aside \$12.5 million for the purchase of additional portable classrooms. Direct the OPSC to develop an item for consideration by the SAB at the March, 1997 meeting regarding the application priorities for qualifying for the relocatable facilities.

6. Place \$35 million in the modernization program to be allocated as follows:
 - a. \$6 million to address the additional funding required to modify the interim housing allowance. See item to modify interim housing allowance on this agenda.
 - b. To fund priority one projects where the Phase P has already been approved and the Division of State Architect (DSA) approved plans have been received by the OPSC by January 17, 1997.
 - c. To fund appeals submitted prior to September 26, 1996.
 - d. \$5 million available for seismic projects (k), but only after a, b and c has been addressed.

7. Set aside \$44.2 million for new construction projects to be allocated as follows:
 - a. \$2 million for County Offices of Education for Community Pupil Programs that qualify for funding in accordance with the provisions of SB 1872.
 - b. To fund appeals submitted prior to September 26, 1996.
 - c. To fund priority one projects where the Phase P has already been approved and the DSA approved plans where submitted to the OPSC by February 17, 1997.

8. Provide that the SAB review the redirection of these funds in August, 1997.