

**STATE ALLOCATION BOARD**

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**Date:** July 11, 2006

**To:** Interested Parties

**Subject:** **NOTICE OF THE STATE ALLOCATION BOARD  
IMPLEMENTATION COMMITTEE MEETING**

Notice is hereby provided that the State Allocation Board Implementation Committee will hold a meeting on Friday, July 21, 2006 (9:30 a.m. – 3:30 p.m.) in the Legislative Office Building located at 1020 "N" Street, Room 100, Sacramento, CA.

The Implementation Committee's proposed agenda is as follows:

1. Convene Meeting.
2. Supplemental Funding for Accessibility Requirements on Modernization Projects.

*Discussion on proposed changes to Regulation Section 1859.83(f) regarding the excessive cost hardship grant for handicap access and fire code requirements.*

3. Implementation of Chapter 35, Statutes of 2006 (Assembly Bill 127 – Nunez/Perata).

*Discussion, in the following proposed order, on several provisions contained within the statute:*

Charter School Facilities Program  
Seismic Mitigation/Replacement  
Overcrowding Relief Grant

Any interested person may present public testimony or comments at this meeting regarding the issues scheduled for discussion. Any public input regarding unscheduled issues should be presented in writing, which may then be scheduled for a future meeting. For additional information, please contact Ms. Deah Johnson at (916) 445-3377.

A handwritten signature in cursive script that reads "Mavonne Garrity".

MAVONNE GARRITY, Chairperson  
State Allocation Board Implementation Committee

MG:lm

**STATE ALLOCATION BOARD  
IMPLEMENTATION COMMITTEE**

**Pending Items List  
July 21, 2006**

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**A. Future Items**

- Site Sale Proceeds

*Discussion on proposed regulatory amendments regarding proceeds from the sale of a site funded in whole or part with State funds.*

**B. Suspended Items**

- Alternative Education Loading Standards and Funding

*Discussion on the loading standards and adequacy of the funding provided for continuation high, community day, and county community day schools under the School Facility Program.*

STATE ALLOCATION BOARD  
IMPLEMENTATION COMMITTEE MEETING  
July 21, 2006

CHARTER SCHOOL FACILITY PROGRAM  
REGULATION AMENDMENTS

**Background:**

The Charter School Facility Program (CSFP), created through Assembly Bill (AB) 14, allowed for the allocation of \$100 million to provide facilities to charter schools. On July 2, 2003 the State Allocation Board (SAB) made the first Preliminary Apportionments for the program to six charter schools. Subsequently, Senate Bill (SB) 15 was passed to make revisions to the CSFP in order to maximize the number of projects funded with the additional \$300 million made available with the passage of Proposition 55. At the February 23, 2005 SAB meeting, Preliminary Apportionments were made for 28 more projects, exhausting the additional \$300 million. After each allocation, the SAB and the California School Finance Authority (CSFA) presented a joint report to the legislature detailing the implementation of the program, a description of the projects funded, and recommendations for statutory change. AB 127 makes modifications to the CSFP should the voters approve an additional \$500 million as part of the bond package that will be presented in November 2006. The actual text of AB 127 is provided on Attachment A.

**Eligibility and Adjustments for CSFP Projects:**

AB127 changes the way in which eligibility is adjusted for the construction of the charter school projects, based on the number of the district's un-housed students the project will house. To this effect, a district must demonstrate that un-housed students exist, in the form of new construction eligibility at the grade level served by the proposed project, for at least the number of pupils requested on the preliminary application. In addition, projects previously funded under Education Code Chapter 12.5 are ineligible to apply for this round of CSFP funding.

The CSFP regulations will be amended to include the following methods that will be used to determine the necessary new construction eligibility adjustments required under the CSFP:

- For districts applying on behalf of a charter school, the new construction eligibility for the district will be reduced by the number of pupil grants requested on the Preliminary Apportionment application.
- For charter schools applying independently of the district, the governing board of the district where the project will be physically located will certify to the number of the District's un-housed pupils that the charter school project Preliminary Apportionment will provide housing for. The district's new construction eligibility will be reduced by the number of pupils on the certification.

The certification, in the form of a board resolution, should be signed by a school board member and submitted as a part of the Preliminary Apportionment application. Prior to submitting the certification the school board must have

### **Eligibility and Adjustments for CSFP Projects (Continued):**

discussed the issue at a regularly scheduled, publicly held board meeting. The item must be presented as an action item and the supporting documentation used to generate the number of District un-housed pupils included in the project certified to must have been presented to the public as part of the agenda or public notice. The OPSC will require the submittal of the board resolution, the supporting documentation and the meeting minutes related to the determination of the number of housed pupils.

- The district must submit the certification, in the form of a board resolution, and supporting minutes to the charter school or the OPSC within 90 days from the date the charter school notifies the district of its intent to apply to the CSFP. The charter school's notification to the school district should include a request for the certification and a request that the district update its enrollment for the current school year by completing an Enrollment Certification/Projection (Form SAB 50-01). If the charter school does not request the certification in its notification to the district resulting in the district being unable to provide the requested information within the specified time period, the Preliminary Apportionment application will be returned to the charter school as incomplete.

### **Rehabilitation:**

AB127 adds to the CSFP an option for districts to submit an application for the rehabilitation of existing district facilities for charter school purposes.

- For purposes of the CSFP, "Charter School Facility Program Rehabilitation" is considered substantially identical to the definition of modernization, with the exception that the facilities to be rehabilitated need only be 15 years of age at the time of the preliminary apportionment application and not previously built or modernized with SFP funds, regardless of permanent or portable designation. The facilities must be district owned.
- Pursuant to EC 17078.54(a), if the application is for a rehabilitation project it must be submitted by the District on behalf of a charter school.
- If the rehabilitation project includes reconfiguration of an existing building then the project must not reduce the district's capacity or displace another minimum essential facility. In any case involving the replacement of capacity or a minimum essential facility due to the reconfiguration of an existing building, the replacement must be part of the plans submitted in support of the CSFP Application, must occur concurrently, and cannot be part of an SFP or CSFP Application for new construction.
- Funding will be calculated based on a square footage dollar amount. The square footage dollar amounts will be generated by using the per square foot amount as calculated in SFP Regulation Section 1859.82(a) for toilet and other facilities.

**Rehabilitation (Continued):**

These amounts are adjusted annually based on the construction cost index. The amounts specified for 2006 are \$236 for toilet facilities and \$130 for other facilities.

- In compliance with EC 17078.54(b) and EC 17078.58(a), the base grant amount of funding provided will be capped based upon the new construction funding amounts that would be generated by the pupil capacity of the project. For example, if the rehabilitation project is for four K-6 classrooms (pupil capacity of 100) the amount of base grant funding would be a maximum of the elementary pupil grant multiplied by 100, plus all other allowable construction costs.
- To avoid duplication of funding with the modernization program the following approach will be used:
  1. For school sites that have not yet established modernization eligibility the age of any buildings rehabilitated under the CSFP will be based on the date the rehabilitation funds were approved under the CSFP conversion application. The OPSC will track this information and verify it for modernization eligibility applications not yet submitted.
  2. For school sites that have established eligibility but have not received modernization funds under the SFP for all of the facilities on the site, the OPSC will adjust the modernization eligibility to exclude the buildings to be rehabilitated under the CSFP. The eligibility will be adjusted by either the square footage or the pupil capacity of the project, depending on how the eligibility for the site was established.
  3. For school sites that have generated eligibility from all facilities on site, and have received funding for all of the eligibility, the site will not be eligible for CSFP Rehabilitation funds, regardless of whether the facilities generating the eligibility actually received the benefit of the funding.
- Unlike SFP Modernization, CSFP Rehabilitation projects will be funded on a 50/50 matching basis, with the lease option available as it would be for CSFP New Construction projects.
- The Deferred Maintenance Program Regulation Sections 1866.4 and 1866.13 will be amended to include CSFP Rehabilitation projects to avoid duplication of state funding.

**Preference Points for Using an Existing District Facility:**

AB127 directs the Board to give preference to projects that utilize existing facilities. Existing law gives preference to charter schools in overcrowded school districts, charter schools in low income areas and charter schools operated by not-for-profit entities. The CSFP regulations will be revised to add a new category of preference points for “Existing Facilities”. The OPSC is currently reviewing the preference point methodology to incorporate this addition and will bring recommendations to a future meeting.

**Existing Facility Consideration (under Proposition 39):**

AB127 requires that the district and charter school consider existing district facilities under EC Section 47614, prior to submitting an application for a Preliminary Apportionment. To insure that this requirement is met, a certification will be added to the Form SAB 50-09 stating:

*“Prior to submitting this application the charter school and school district have considered existing school district facilities in accordance with Education Code Section 47614.”*

**Removal of Funding, Site Acreage, and Eligibility Caps:**

- AB127 deletes EC Section 17078.56(c) relating to the project caps that were put in place with SB15. CSFP projects that are funded under the new law will not be subject to funding caps. These applications will be eligible to request all additional grants afforded to typical SFP funding applications. This will require the reinstatement of the inflator factor, to account for future CCI increases.
- The Hazardous Materials and DTSC/Relocation funding pools will only apply to those CSFP projects that received preliminary apportionments in February of 2005.
- As AB127 also removes the cap on the site acreage, there will no longer be the requirement that the charter project can purchase a site up to 50% of the maximum site size for a traditional school.

**Fund Release – Tri-party agreements must be signed:**

The Form SAB 50-05 will be modified so that for advance release of site funds and fund release for the final apportionments, the charter/district must indicate that the MOU, Funding agreement and User agreements have been executed. The OPSC will not release funds prior to these documents being executed. This change will apply to all projects funded under the CSFP, regardless of filing period or bond fund source. This requirement was deemed appropriate by legal counsel on 6/14/06, in order to protect the use of bond funds.

**Savings**

The Regulations will be amended to include a section identifying that CSFP projects do not generate savings, and money left over cannot be used to pay any of the local matching share obligation.

**Notification to the School District:**

Existing law (EC 17078.53(c)(2)) requires that for a charter school applying independently, the charter school notify the school district of its intent to apply to the CSFP in writing, at least 30 days prior to submitting an application. To facilitate the processing of the applications, the CSFP regulations will be amended to include that the charter school must provide the OPSC with verification that it has notified the district of its intent to apply to the CSFP, in writing, at least 30 days prior to the submittal of the Preliminary Apportionment application. This verification will include a copy of the notification letter and proof of the date sent or received by the district.

### **Project Description:**

As part of a complete application submittal, the charter/district will be required to submit a narrative describing the project they intend to build. This will not be an additional form and the format will not be dictated by OPSC, so long as the narrative description includes the number of classrooms, the grade level of pupils that will be served, the intended opening date of the school, a general idea of where the project will be located and if the project will be permanent or portable construction. This narrative will assist the district/charter and the OPSC to ensure that the 50-09 request is in keeping with the project that is desired.

### **Definition of General Location for Median Cost Determination**

The definition of "Charter School General Location" used when determining the median cost of land will be changed from "a three mile radius from the present or proposed location of the Charter School project as identified in the Chartering Agreement" to "*a minimum of a one mile radius to a maximum of a three mile radius from the present or proposed location of the Charter School project as identified in the Chartering Agreement*". Experience in past funding rounds showed that the three mile radius was too large to be of practical use in making this calculation for some charter schools.

### **Free and Reduced Lunch Methodology Clarification**

To facilitate the processing of the CSFP applications, the definition of "Low-income" in the SFP Regulations will be amended to read:

"...shall be the percentage of pupils to be deemed eligible for free/reduced lunch as identified in the most recent Free and Reduced Price Meals data on file at the CDE. The data on file with CDE shall be determined to be the information collected in the month of October, and any amendments to the information for that time period that have been received and approved by the CDE."

### **Preference Points Tie Breaker Methodology:**

- Previous experience by the OPSC with the first two rounds of CSFP funding revealed that it is possible to have ties in preference points. This can make it difficult to establish a funding order in the case when the program is oversubscribed. Prior to the second round of funding, the preference point calculations were modified to attempt to lessen the number of ties. However, when many projects are submitted in the same district, the preference points may still be the same, as was the case with the second round of funding. Date received was used as a tie breaker, but it is possible for multiple applications to have the same received date. The OPSC is receptive to suggestions from the members of the implementation committee relating to tie breakers for applications received on the same date.
- Rounding of preference points will be done to whole numbers using traditional rounding (5 and above, round up).

STATE ALLOCATION BOARD  
IMPLEMENTATION COMMITTEE MEETING  
JULY 21, 2006

SEISMIC MITIGATION

PURPOSE OF REPORT

To discuss the implementation of amendments to Education Code (EC) Section 17075.10, pursuant to Assembly Bill (AB) 127 (Chapter 35, Statutes of 2006 – Nunez and Perata), which provides up to \$199.5 million for seismic mitigation.

BACKGROUND

AB 127 was signed into law on May 20, 2006 and has an urgency clause that requires the statute be operative on November 7, 2006 in the event the voters of California approve the ballot. AB 127 provides amendments to EC Section 17075.10 and the Facility Hardship Program, and authorizes up to \$199.5 million for seismic mitigation of the most vulnerable school facilities that are a Category 2 building that pose an unacceptable risk of injury to its occupants in the event of a seismic occurrence. Currently, seismic mitigation alone is not an eligible component for Facility Hardship funding.

AUTHORITY

See Attachment A

DISCUSSION

**Category 2 Buildings**

In 2002, AB 300 required the Department of General Services (Division of the State Architect – DSA) to conduct an inventory of public school buildings that are of concrete tilt-up construction and those of non-wood frame walls that do not meet the minimum requirements of the 1976 Uniform Building Code. The DSA classified these buildings as either a Category 1 or Category 2 based on the buildings ability to perform in the event of a seismic occurrence.

A Category 2 building, according to the report, is considered a building that is not expected to perform as well in future earthquakes as Category 1 building types and requires detailed seismic evaluation to determine if they can be expected to achieve life-safety performance.

There are approximately 7,537 school facilities or approximately 65 million square feet of Category 2 buildings identified in the report. This represents approximately 14 percent of the current total square footage of California public schools. However, the report is not inclusive of all school facilities throughout the State. Additionally, the report, which was prepared in November 2002, estimates that the cost for seismic upgrades for the most vulnerable of Category 2 buildings within two kilometers of an active fault is estimated to be approximately \$800 million.

Further, the estimated cost to rehabilitate all Category 2 buildings throughout the State is approximately \$4.7 billion for work directly associated with the structural strengthening alone.

### **The “Most Vulnerable”**

AB 127 amends EC 17075.10 and the Facility Hardship Program requirements by expanding the definition of extraordinary circumstances to include the need to repair, reconstruct, or replace the most vulnerable school facilities that are a Category 2 building. In light of the fact that there is an estimated \$4.7 billion worth of seismic upgrade work and AB 127 provides up to \$199.5 million, these funds would be applied to the most vulnerable of the Category 2 buildings to ensure that the limited resources are applied to those school facilities that are at the greatest risk of structural failure in the event of an earthquake.

To define the most vulnerable of the Category 2 buildings, the DSA is currently evaluating several data sources, including the following: (1) geographical location on the **HAZUS Map**, which identifies zones of probability for building failure; (2) **California Geological Survey Maps**, which identifies the location of fault lines; and (3) **Seismic Fragility Test**, which measures the range of movement in soil and the subsequent impact to buildings located on that soil. These and other data sources are currently being evaluated by DSA to ensure that the most vulnerable of the Category 2 schools receive hardship assistance. Staff plans to present the vulnerability requirements at a future Implementation Committee meeting.

### **Funding**

AB 127 requires that the funding for seismic mitigation be similar in the way facility hardship projects are funded, in that if the mitigation work exceeds 50 percent of the current replacement cost, the building will qualify for replacement. The replacement cost for seismic mitigation would be determined in the same manner as current facility hardship projects, which would be based on a cost per square footage as defined in regulation, currently \$262 per square foot for other area and \$472 per square foot for toilet area. These amounts are adjusted annually by the construction cost index. Additionally, the mitigation costs would be based on the district’s cost benefit analysis, which would include a cost estimate, in the same way that rehabilitation projects are currently funded.

Documents that would be required for funding:

- Form SAB 189 – School District Appeal Request
- Form SAB 50-04 – Application for Funding
- Substantiation of the Health and Safety Threat
  - Structural Engineer’s Report
  - A letter of concurrence from the DSA, indicating that the project meets the definition of the most vulnerable of a Category 2
- Detailed Cost Estimate/Cost Benefit Analysis
- Plot Diagram

Applications for funding will be processed on a first come-first served basis until all available funds have been exhausted. Once the funds have been exhausted, all unfunded applications will be returned to the school district.

### **Regulation Amendments**

Regulation Section 1859.82 will need to be amended to include the expanded definition of extraordinary circumstances to include the need to repair, reconstruct or replace the most vulnerable school facilities that are a Category 2 building, as defined by the DSA to pose an unacceptable risk of injury to its occupants in the event of a seismic event.

### **Concurrent Clarifying Regulation Amendment**

In addition to the regulation amendment generated by AB 127 for Seismic, Staff is recommending a clarifying amendment to regulations on another closely related issue. The clarifying amendment would provide an adjustment to the modernization eligibility in instances where a building has or may generate modernization eligibility, but is demolished and replaced as a facility hardship or seismic replacement. This will ensure that modernization eligibility generated by buildings that have been replaced is not utilized on other buildings on the site, resulting in double-funding of facilities. The 25-year clock will begin again with the DSA approval of the facility, plus 12 months to determine when the building will be eligible for modernization funding.

### **RECOMMENDATION**

Accept the proposed amendments. Regulations will be presented at a future Implementation Committee meeting.

STATE ALLOCATION BOARD  
IMPLEMENTATION COMMITTEE MEETING  
July 21, 2006

IMPLEMENTATION OF THE  
OVERCROWDING RELIEF GRANT

PURPOSE

To discuss the implementation and development of the Overcrowding Relief Grant (ORG).

BACKGROUND

Assembly Bill (AB) 127 (Chapter 35, Statutes of 2006 - Nunez and Perata), establishes a new grant that enables districts to reduce the number of portable\* classrooms on overcrowded school sites and replace them with permanent classrooms. AB 127 provides \$1 billion for eligible schools. The grant program is contained in Education Code (EC) Sections 17079 through 17079.30 (see the attached text). The following discussion item refers to the major components of the ORG.

DISCUSSION

**1. Eligible Schools**

In order to participate in the ORG, districts must have school sites deemed eligible by the California Department of Education (CDE) based on population density utilizing the 2005/06 California Basic Educational Data Systems (CBEDS). The school site must have a pupil population density equal to or greater than 175 percent of CDE's recommended population density, which will be based upon the *Guide to School Site Analysis and Development*. Additionally, population density will be reduced when applicable to account for multistory construction and approved new construction projects, including approved apportionments for the Critically Overcrowded School Facilities Program. The list of eligible schools will be posted online.

**2. Eligible Pupils**

Each district will have a districtwide (or High School Attendance Areas/Super High School Attendance Areas) eligibility bank which can be utilized at any eligible school. The districtwide eligibility will be determined by the number of portables that were included in the initial new construction baseline determination, less the number of Class Size Reduction (CSR) Program portables, multiplied by the applicable State loading standard, i.e. K-6: 25, 7-12: 27, non-severe: 13, and severe: 9.

\*The definition of a portable pursuant to EC Section 17070.15 (k) is a classroom building of one or more stories that is designed and constructed to be relocatable and transportable over public streets, and with respect to a single story portable classroom, is designed and constructed for relocation without the separation of the roof or the floor from the building and when measured at the most exterior walls, has a floor area not in excess of 2,000 square feet.

In order to determine the number of portables used for the CSR Program, districts will provide the total number of portables for the district on the *Application for Funding* (Form SAB 50-04) by self-certification.

The following provides an example of the districtwide eligibility determination.

**Step 1. Begin with the portables counted in the initial baseline determination, utilizing the district's *Existing School Building Capacity* (Form SAB 50-02) option A or B.** In this example the district chose Option B.

PART I - Classroom Inventory	NEW	ADJUSTED	K-6	7-8	9-12	Non-Severe	Severe	Total
Line 1. Leased State Relocatable Classrooms								
Line 2. Portable Classrooms leased less than 5 years			6	6				12
Line 3. Interim Housing Portables leased less than 5 years								
Line 4. Interim Housing Portables leased at least 5 years			4	5	2			11
Line 5. Portable Classrooms leased at least 5 years				2	1			3
Line 6. Portable Classrooms owned by district			80	16		2		98
Line 7. Permanent Classrooms			84	74	32	5		195
Line 8. Total (Lines 1 through 7)			174	103	35	7		319

**PART II - Available Classrooms**

Option A.	K-6	7-8	9-12	Non-Severe	Severe	Total
a. Part I, line 4	4	5	2			11
b. Part I, line 5		2	1			3
c. Part I, line 6	80	16		2		98
d. Part I, line 7	84	74	32	5		195
e. Total (a, b, c, & d)	168	97	35	7		307

Option B.	K-6	7-8	9-12	Non-Severe	Severe	Total
a. Part I, line 8	174	103	35	7		319
b. Part I, lines 1,2,5 and 6 (total only)						113
c. 25 percent of Part I, line 7 (total only)						49
d. Subtract c from b (enter 0 if negative)	48	14	1	1		64
e. Total (a minus d)	126	89	34	6		255

*If the district had chosen Option A, the number of portables counted in the initial baseline would be the sum of line a, b, and c (11 + 3 + 98 = 112 total portables).*

**Step 2. Subtract the reported number of CSR portables from the number of K-6 portables on the Form SAB 50-02.** In this example 10 portables were reported.

$$48 - 10 = 38 \text{ K-6 portables}$$

**Step 3. The remaining number of portables are used in the eligibility determination. Multiply those by the State loading standard.**

Districtwide Eligibility Determination					
	K-6	7-8	9-12	Non-severe	Severe
Number of Portables	38	14	1	1	0
Multiply by the State Loading Standard	25	27	27	13	9
<b>Total Pupil Grant Eligibility</b>	<b>950</b>	<b>378</b>	<b>27</b>	<b>13</b>	<b>0</b>

The eligibility determination will be a one-time determination and will only be adjusted (reduced) as pupil grants are requested for funding.

Although there is a districtwide eligibility bank, each eligible school site will be limited to the number of pupil grants it can request pursuant to EC Section 17079.10 (b) (1) and 17079.20 (a) and (c). The lesser of the following will determine the number of eligible pupil grants for each school site:

- I. The number of grants apportioned cannot exceed the number of pupils whose removal from the density calculation would reduce the density of the site to 150 percent of the CDE recommended population density.

-or-

- II. The pupil grant request is also limited to the capacity of the project. Districts must build a number of permanent classrooms equivalent to the number of portable classrooms it will be replacing. Therefore, districts may only request pupil grants up to the capacity of the number of portables being replaced.

For example, if the district is replacing 10 (K-6) portables at School A, they may request up to 250 K-6 pupil grants [10 x 25 (State loading standard) = 250], as long as it does not go beyond the number of grants as described in I above.

**3. Funding**

Eligible pupils will be funded based on the current new construction per-pupil grant amounts at the time of apportionment of the application. In addition, projects funded under this program must meet the same provisions of the School Facility Program (SFP), except for the requirement that the district reduce its new construction eligibility for the classrooms provided. Districts will have the same submittal requirements (i.e. Division of State Architect approved plans and specifications, CDE plan approval, etc).

The program requires that the funding be used toward a reduction in the number of portable classrooms in the district, and thus will fund the demolition of any portable classrooms. The program does not, however, allow for funding associated with the construction, acquisition or transportation of portable classrooms. Districts may opt to

utilize the portables that are being replaced as childcare or preschool portables, as long as those portables are placed at ineligible schools.

There is an additional requirement for funding associated with the program. In order to receive funding, districts must certify that they will remove the portable classrooms from the eligible school, and will remove those portables from service within six months of occupancy, unless they are used in the manner indicated above. Districts will be required to state how they have complied with this requirement on the *Expenditure Report* (Form SAB 50-06).

#### *Exceptions*

Unlike typical new construction applications, this program will not allow for the acquisition of additional acreage. This is due to a number of factors, including the following:

- the intent of the program is to replace existing portables with permanent classrooms to relieve overcrowding;
- the addition of acreage would create an issue with regard to substantiating the density of the site;
- the addition of acreage as an expense under the program would increase the cost of projects, and thus reduce the number of participants in the program and subsequently the number of portables replaced; and
- the statute states that the program must conform with the provisions of the SFP, and therefore would not qualify for the addition of acreage as an eligible expenditure without the increase of classroom capacity.

#### **4. Processing**

Districts will request funding under the ORG by submitting a complete new construction package, which will include a Form SAB 50-04. On the Form SAB 50-04, there will be a section wherein districts will provide a narrative indicating how the project is relieving overcrowding at the school site. Site visits will be conducted by Office of Public School Construction to verify information reported by the districts.

Project applications will be funded in date order received, with two filing periods per year. Projects will require the typical processing period. Funds will be apportioned each January and July, with the first apportionment to occur in July of 2007. If ORG funds are insufficient for all applications during any funding period, applications will be prioritized by pupil density; schools with highest pupil density will be funded first.

#### **RECOMMENDATION**

Prepare regulatory language to be presented at the next available Implementation Committee meeting including all of the proposals presented in this item.