

**STATE ALLOCATION BOARD**1130 K Street, Suite 400  
Sacramento, CA 95814**IMPLEMENTATION COMMITTEE MINUTES**

March 2, 2007

Legislative Office Building  
Sacramento, CA**Members Present**

Mavonne Garrity, SAB

Kathy Hicks, OPSC

Fred Yeager, CDE

Chad Rohrs, DOF

David Doomey, SSD (alternate for Constantine Baranoff)

Peggy Reyes, CASBO (am)

John Palmer, CASBO (pm)

William Savidge, CASH

Vinceena Kelly, CCSESA (alternate for Kenn Young)

Brian Wiese, AIA

Richard Conrad, DSA

Debra Pearson, SSDA

Gary Gibbs, CBIA

Mark DeMan, LAUSD

**Members Absent**

Cesar Diaz, SBCTC

Dennis Dunston, CEFPI

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**ASSEMBLY BILL (AB) 2947 – TRANSFER OF SPECIAL EDUCATION PROGRAMS**

This topic was introduced by the Chair and presented by Office of Public School Construction (OPSC) staff members Brian LaPask and Jessica Love.

A quick review of the bill was provided and the method of the capacity and enrollment adjustments was explained. The Chair then indicated that there were two outstanding issues to be discussed, one being retroactivity of the law and the other related to the ongoing discussion regarding the possibility of depreciating the value of the buildings being transferred versus a proportionate share of the financial hardship assistance being applied to the buildings. Audience members indicated that if the law was applied "retroactively", there may be pressure on the grantees to accept title to the facilities so that the grantor may receive the capacity adjustment, since it was determined that the remittance of funds to the State is also required for transfers taking place before the effective date of the law in order for the capacity and enrollment adjustments to take place. The Chair reminded the audience members that the transfer of title to the facilities is optional and that perhaps new legislation could potentially clear up these outstanding issues.

Discussion continued on the issue of the amount to be remitted to the State upon transfers of these programs. An audience member suggested that perhaps a nominal fee (to be determined by the State Allocation Board [SAB]) could be applied to the amount owed back to the State for projects where the program transfer took place before January 1, 2007. Staff indicated that it would research this possibility and report back on its findings.

Another point of discussion was related to the point in time at which financial hardship status would be used for determining if a grantee would be exempt of the remittance of any State funds associated with a transfer. Staff agreed to confer with legal counsel on the timing of the grantee's financial

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## **ASSEMBLY BILL (AB) 2947 – TRANSFER OF SPECIAL EDUCATION PROGRAMS (cont.)**

hardship status and to determine if financial hardship status at either the time of the transfer and/or the adjustment would exempt the grantee from any remittance of State funds.

During the presentation, staff proposed that the repayment period be 60 days pursuant to current School Facility Program regulations, however five years would be allowed as requested. A committee member asked if staff could possibly extend this period to 10 years. Staff indicated that this suggestion would be considered and discussed.

The Chair ended discussion by asking staff to work through the issues raised during the discussions and to bring back its findings to the April 5, 2007 meeting.

## **ASSEMBLY BILL (AB) 607**

The item was introduced by the Chair and presented by OPSC staff member Masha Lutsuk.

OPSC staff summarized the issue and explained the rationale for the proposal to cap administrative and application filing fees for projects seeking Emergency Repair Program (ERP) funding. The types of fees that are proposed to be capped was also clarified.

Several alternatives were suggested for the cap as follows:

- The OPSC should have a policy instead of capping the application filing fees in regulation. The policy would require a threshold to be determined and if an application requested an amount beyond the threshold, a 15-day letter would be issued. As this was further discussed, it was determined that districts and other interested parties would want to know the threshold and the consequences of not meeting the threshold and therefore, the cap should be in regulations.
- A five percent cap was suggested as some felt the proposal of a two percent cap was too low. It was mentioned that districts, especially small school districts, do not have the staff to prepare applications and they need to be able to hire someone outside the district to perform the work. In addition, it was stated that consultants provide services beyond filling out the form; however their fees are not itemized. After further discussion it was determined that some of the additional services provided, such as cost estimation, would not be considered as a part of the cap. It was suggested that consultants begin to itemize their services and fees when seeking ERP funding.

Another suggestion was made by an audience member to change the reference of the fees in the regulations from *administrative and application filing fees* to *application documentation preparation and submission costs*. The OPSC stated this would be taken into consideration.

A concern was raised regarding the Board's decision to discontinue providing administrative and application filing fees until the subject was further discussed at a future Implementation Committee meeting. Staff stated the OPSC would work with districts that were declined these fees since the January 2007 SAB meeting decision. The OPSC will seek resolution to this issue and address projects currently on the workload list that have requested reimbursement for these fees.

Staff stated the draft regulations would be presented at the March SAB meeting for adoption.

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## **SENATE BILL (SB) 1415**

The item was introduced by the Chair and presented by OPSC staff member Randy LaBorde. OPSC staff summarized Education Code 17462 before it was amended and the changes resulting from the chaptering of SB 1415.

The California Department of Education (CDE) proposed an alternative definition for “one-time expenditures” and “ongoing expenditures” citing that the Education Code referenced in the proposed definition in the issue paper was scheduled to sunset on January 1, 2010. The OPSC agreed to review the alternative definitions and stated it appeared to capture the same essence as originally proposed.

The OPSC stated that the proposed regulations will be presented to the next available SAB meeting for adoption.

### **ADJOURNMENT AND NEXT MEETING**

The meeting adjourned at 2:40 p.m. The next Committee meeting is scheduled for Thursday, April 5, 2007 at 9:30 a.m. and will be held at the Legislative Office Building, 1020 N Street, Room 100, Sacramento, California.