

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

April 5, 2007

Legislative Office Building  
Sacramento, CA**Members Present**Mavonne Garrity, SAB  
Chris DeLong, OPSC (Alternate for Kathy Hicks)  
Fred Yeager, CDE  
Chad Rohrs, DOF  
Constantine Baranoff, SSD  
Peggy Reyes, CASBOWilliam Savidge, CASH  
Kenn Young, CCSESA  
Brian Wiese, AIA  
Dennis Bellet, DSA (Alternate for Richard Conrad)  
Lyle Smoot, LAUSD (Alternate for Mark DeMan)  
Cesar Diaz, SBCTC  
Dennis Dunston, CEFPI**Members Absent**Debra Pearson, SSDA  
Gary Gibbs, CBIA

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

This topic was introduced by the Chair and presented by OPSC staff members Brian LaPask and Jessica Love.

A quick review of the bill was presented and the method of the capacity and enrollment adjustments was covered. The discussion then focused on the method of pro-rating any remittance that would be due back to the State as a result of a program and title transfer. One of the Committee members indicated that it seemed that the intent of this bill was not for the State to recover funds, but instead to discourage any potential to "game the system" to acquire facilities funded solely by the State.

The Chair indicated that there seemed to be a fair amount of concern on the part of the members regarding the method Staff had proposed to charge the receiving districts for any state Financial Hardship funds received for the facility and asked that OPSC staff indicate this in the April report to the SAB. Also at this time, the Chair asked that each Committee member comment individually on how to pro-rate any remittance due back to the State and also on the issue of retroactively allowing adjustments when a remittance has been submitted for any requests to adjust for title transfers that took place prior to January 1, 2007. Thirteen comments were collected, seven members thought there should be no retroactivity and favored incorporating some form of depreciation to the buildings being transferred/acquired, one member felt that the proposed regulations were moot and that a legislative remedy is required, one member supported staff's recommendation, and four did not comment.

A Committee member noted that there was no mention in the law about financial hardship districts being exempt from remitting any funds due to the State and questioned why Staff believed they could

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

be exempt from any remittance otherwise due. Staff indicated that the intent of allowing financial hardship districts exemption from any repayment due to the State was because those districts would otherwise qualify for financial hardship assistance if they were to apply for funds to construct new facilities. Staff also noted that the facilities acquired through a title transfer will also be added to the grantee's classroom inventory, effectively using up the same eligibility they would have used to build the facility with financial hardship assistance.

An audience member proposed a third period in time, the time in which the transferred facilities were constructed, to examine whether the grantee had financial hardship status and could be exempted from repayment. Staff indicated that it had discussed this idea with legal counsel and that since the grantee would not have otherwise needed the facility at the time it was constructed, or known that the facility would eventually be transferred, that Staff could not allow exemption in these cases. The Chair asked staff to include this information in the April report to the SAB.

During review of the proposed regulations there were a few points of clarity Staff agreed to examine. First was the requirement on the *Enrollment Certification/Projection* (Form SAB 50-01) that asks for the grantee to assume all applicable certifications made on the original *Application for Funding* (Form SAB 50-04). An audience member asked which certifications the grantee had to certify to when title was accepted. Staff agreed to delineate which specific certifications would be required to be assumed. Also on the Form SAB 50-01, Staff agreed to clarify that references to transfers of a "SELPA" would be changed to reference a transfer of a special education program and title to the facilities instead.

### **ADJOURNMENT AND NEXT MEETING**

The meeting adjourned at 12:20 p.m. The next Committee meeting is scheduled for Friday, May 4, 2007 at 9:30 a.m. and will be held at the Legislative Office Building, 1020 N Street, Room 100, Sacramento, California.