

FINAL STATEMENT OF REASONS

Title 2.	Administration
Division 2.	Financial Operations
Chapter 3.	Department of General Services
Subchapter 4.	Office of Public School Construction
Group 1.	State Allocation Board
Subgroup 12.	Regulations Relating to State School Deferred Maintenance

Section 1866. Definitions.

Specific Purpose of the Regulation

To provide the meaning of additional specific words and terms that are essential to these regulations, including the identification of essential forms by number, title, and revision date.

Need for the Regulation

It was necessary to update three revision dates of specific forms that are used extensively in these regulations and the School Facility Program (SFP) Regulations, because approved versions of these forms with later revision dates have become effective during the processing of these regulations.

This section defines Form SAB 40-22 with its revision date. The State Allocation Board's (SAB) notice to the public advised of this form's new revision date of "10/07," but inadvertently omitted that the form's revision date would also change in the definitions section from "New 04/02" to "Rev. 10/07." This is a non-substantive change for the purpose of ensuring consistency throughout the SAB's regulations.

This section refers to Form SAB 50-03 with a revision date which has been approved by the Office of Administrative Law (OAL) through regulatory action (please refer to OAL File No. 07-0605-05S). It is therefore necessary to correct the form's revision date from "01/03" to "09/06" in the definitions section. This is a non-substantive change for the purpose of ensuring consistency throughout the SAB's regulations.

This section refers to Form SAB 50-04 with a revision date which has been approved by the OAL through several regulatory actions (please refer to OAL File Nos. 07-0703-03ER, 07-0605-05S, 07-0720-08S, and 07-0823-01SR). Due to the frequency of revision date changes, the OPSC, on behalf of the SAB, is requesting that the reference to this form in the definitions section be followed by the words "as appropriate" rather than a specific revision date. The words "as appropriate" are also used in lieu of a revision date to refer to this form in the definitions section of the SFP Regulations (Regulation Section 1859.2, "Approved Application(s)"). This is a non-substantive change for the purpose of ensuring consistency throughout the SAB's regulations.

Section 1866.4.3. District Deposit of Matching Share.

Specific Purpose of the Regulation

For purposes of greater consistency with the language of Education Code Section 17582, clarification is made regarding the source of funds from which districts can deposit their matching share into the District Deferred Maintenance Fund for purposes of receiving a "Basic Grant," which the State matches dollar-for-dollar not to exceed the basic grant apportioned by the SAB.

Need for the Regulation

The current regulations indicate that the contribution must be from "any non-restricted fund," while the law reads that the district contribution into the Fund may be "from any source whatsoever,..." . Therefore, the SAB amended that term in the Deferred Maintenance Program (DMP) Regulations to "any source not otherwise prohibited by law or regulation." This ensures consistency between the Education Code and these regulations.

Section 1866.13. Duplication of Applications.

Specific Purpose of the Regulation

To add language to avoid duplication of a school district's DMP extreme hardship project work being included in a Charter School Facilities Program (CSFP) Rehabilitation project.

Need for the Regulation

A minor amendment to the DMP Regulations was approved by the SAB as a result of Assembly Bill 127, Chapter 35, Statutes of 2006 (Perata/Nunez) to address the circumstances when a DMP extreme hardship project is encompassed within the work of a CSFP Rehabilitation project. The amending language avoids duplication of DMP extreme hardship project work in the CSFP Rehabilitation project and ensures program integrity for both the DMP and the School Facility Program.

STATE SCHOOL DEFERRED MAINTENANCE PROGRAM FORM

Extreme Hardship Funding Application, Form SAB 40-22 (Rev. 10/07)

Specific Purpose of the Form Amendments

This Form is used by school districts to apply for DMP Extreme Hardship Grant funding for a critical project. The Form was modified for the purpose of avoiding duplication of DMP extreme hardship project work in a CSFP Rehabilitation project. In addition, non-substantive changes were made to clarify references to DMP Forms.

Need for the Form Amendments

Page 1, 1st column under "General Information," 1st paragraph, line 3: It was necessary for consistency and continuity of these regulations to delete reference to Form SAB 40-1 (no longer current) and substitute the form that superseded it – "Form SAB 40-20 (Rev. 01/05)."

Page 1, 1st column under "General Information," 2nd paragraph, 2nd bullet: For purposes of clarity, and since the underlined language refers to this form, the full name and number of this form were deleted from the narrative text and replaced by the words "this form."

Page 1, 1st column under "General Information," 2nd paragraph, 4th bullet: It was necessary for consistency and continuity of these regulations to state the current version of Form SAB 40-20 by deleting "(New 04/02)" and replacing it with "(Rev. 01/05)."

Page 2, 1st column under "Specific Instructions," #1: For purposes of clarity, and since the underlined language refers to this form, the full name and number of this form were deleted from the narrative text and replaced by the words "this form."

Page 2, 1st column under "Specific Instructions," #5: It was necessary to add reference to CSFP projects in three places in order to avoid duplication of DMP extreme hardship project work in a CSFP Rehabilitation project. This complies with Assembly Bill 127, Chapter 35, Statutes of 2006 (Perata/Nunez) and ensures program integrity for both the DMP and the School Facility Program.

Page 3, 2nd column, #5: It was necessary to add a data field to disclose a CSFP Rehabilitation project application number if the CSFP Rehabilitation work is also included in the cost of the DMP critical project amount and the district cannot certify that the CSFP Rehabilitation project still meets the 60 percent commensurate test requirement after deducting the duplicative work in this application.

Page 3, 1st column, under Certifications, 4th bullet: It was necessary to add specific certification language to require that work to be funded in a DMP extreme hardship grant project will be reduced from an accompanying CSFP Rehabilitation project for purposes of the CSFP Rehabilitation project meeting the 60 percent commensurate requirement.

Office of Administrative Law Regulations, Title 1, Section 20(c)(1)

The State Allocation Board's School Facility Program Form is maintained and readily accessible through our Web site. Therefore, it is not necessary to publish the form in the California Code of Regulations.

Office of Administrative Law Regulations, Title 1, Section 20(c)(2)

The State Allocation Board's School Facility Program Form is made available upon request and through our Web site, and continues to be made available upon request and through our Web site.

DOCUMENTS RELIED UPON AND STATEMENTS REGARDING THE RULEMAKING

Technical Documents Relied Upon

The State Allocation Board's Action item, dated September 26, 2007, entitled "Deferred Maintenance Program Regulation Amendments."

Alternatives to the Proposed Regulatory Action that would be as Effective and Less Burdensome to Private Persons

The SAB finds that no alternatives it has considered would be more effective in carrying out the purpose of the proposed regulations or would be as effective and less burdensome to affected private persons than the proposed regulations.

Alternatives to the Proposed Regulatory Action that would Lessen any Adverse Economic Impact on Small Business

The SAB has determined that the proposed regulations do not affect small businesses.

Finding of Significant Adverse Economic Impact on Businesses

The SAB has determined that the adoption of the regulations will not affect small businesses because they are not required to comply with or enforce the regulations, nor will they benefit from or be disadvantaged by the regulations.

Impact on Local Agencies or School Districts

The SAB has determined that the proposed regulations do not impose a mandate or a mandate requiring reimbursement by the State pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code. It will not require local agencies or school districts to incur additional costs in order to comply with the proposed regulations.