

## INITIAL STATEMENT OF REASONS

### **Section 1859.162.3. Overlapping District Boundaries.**

#### **Specific Purpose of the Regulation**

To delete a clause which was superseded by the proposed regulatory amendments.

#### **Need for the Regulation**

2nd paragraph: It was necessary to delete the concluding parenthetical clause because these amendments revised which entities are allowed to hold title, and because the referenced criteria are set forth elsewhere within the existing Regulations.

### **Section 1859.171. Use of Facility.**

#### **Specific Purpose of the Regulation**

To revise the options for a school district to use or dispose of a charter school facility within its boundaries, in order to implement Senate Bill (SB) 592, including the specific requirements of Education Code (EC) Section 17078.62.

#### **Need for the Regulation**

First Paragraph: It was necessary to amend this Section in order to implement SB 592 by revising the options for a school district to use or dispose of a charter school facility within its boundaries, which facility has received State funding but has failed to meet project timeline requirements or the charter school has ceased to occupy the facility. The proposed amendments implement SB 592 by providing a process for school districts to reject the option to dispose of the facility.

New subsection (a): It was necessary to provide clarifying language changes pursuant to Assembly Bill (AB) 14, Chapter 935, Statutes of 2002.

Renumbered subsection (b): It was necessary to renumber this subsection to maintain the alphabetical sequence of subsections. It was necessary to provide clarifying language changes pursuant to AB 14.

Renumbered subsection (c): It was necessary to renumber this subsection to maintain the alphabetical sequence of subsections.

New subsection (d): It was necessary to provide a final disposition option by the State Allocation Board, pursuant to EC Section 17078.62(b)(5)(B), if the school district declines to dispose of the facility. This was needed in order to implement SB 592.

**Section 1859.172. Title to Project Facilities.**

**Specific Purpose of the Regulation**

To adopt this new Section in order to implement SB 592, and specifically EC Section 17078.63, by setting forth the criteria for entities to hold and/or transfer title to charter school facilities as permissible under AB 14 and SB 592. These entities are the school district in which the project is physically located, a local governmental entity, or the charter school.

**Need for the Regulation**

Subsection (a): It was necessary to implement SB 592 by setting forth reasonable documentary requirements for charter schools that have received Preliminary Charter School Apportionments payable from State school bonds.

Subsection (a)(1): It was necessary that one of the permissible entities to hold title to charter school facilities be the school district in which the project is physically located, because this requirement already existed in the Program, pursuant to AB 14.

Subsection (a)(2): It was necessary that one of the permissible entities to hold title to charter school facilities be a local governmental entity pursuant to SB 592 and EC Section 17078.63(a)(2).

Subsection (a)(3): It was necessary that one of the permissible entities to hold title to charter school facilities be the charter school pursuant to SB 592 and EC Section 17078.63(a)(3), and subject to the criteria of EC Section 17078.63(a)(3). It was necessary to include that the charter school's written request must justify why title will not be vested in the school district or a local governmental entity, and a certification of truthfulness and correctness by the charter school representative, in order to implement SB 592 and to assure truthful and correct applications.

Subsection (b): It was necessary to set forth that a charter school may request that a school district transfer title to project facilities to itself or to a local governmental entity, pursuant to specific notification and written agreement criteria in order to implement SB 592, and in order to remind the parties of the requirements of EC Section 17078.63. Further, it was necessary to ensure advance notification to the OPSC of a requested title transfer in order to assure the mutual and orderly agreement to transfer title, and to protect the State's interests in facilities which will receive State school bond funding.

**Technical Documents Relied Upon**

The State Allocation Board's Action item, dated February 24, 2010, entitled "Implementation of Senate Bill 592."

**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 businesses, including 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, school districts, or charter schools to incur additional costs in order to comply with the proposed regulations.