

## INITIAL STATEMENT OF REASONS

### **Section 1859.2. Definitions.**

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

To provide the meaning of specific words and terms that are essential to these regulations.

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

It was necessary to delete three definitions pertaining to the Small High School Program (SHSP) - - "Reconfiguration," "Small High School," and "Small High School Program," because the statutory authority for the SHSP was repealed effective on January 1, 2008.

It was also necessary to change the revision date of Form SAB 50-04, *Application for Funding*, to reflect a revision date of "01/12," in order that School Facility Program (SFP) applicants can identify and submit the current version of this Form.

### **Section 1859.61. Adjustments to the Modernization Baseline Eligibility.**

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

Sets forth criteria for making adjustments to a school district's modernization baseline eligibility, including subsection (j) requiring an adjustment as a result of the Reconfiguration of an existing high school under the SHSP.

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

It was necessary to delete subsection (j) because the statutory authority for the SHSP was repealed effective January 1, 2008. In addition, the subsections following it are re-lettered as (j), (k), and (l) for the purpose of maintaining consistency and continuity of the SFP Regulations.

### **Section 1859.70.3. Available Funding for the Small High School Program.**

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

To repeal this regulation section.

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

It was necessary to repeal this section because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs.

### **Section 1859.71.5. New Construction Grant Increase for the Small High School Program.**

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

To repeal this regulation section.

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

It was necessary to repeal this section because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs.

**Section 1859.74. New Construction Additional Grant for Site Acquisition Cost.**

**Specific Purpose of the Regulation**

To authorize an additional grant to school districts for site acquisition costs for approved SFP new construction projects, according to specific criteria. To repeal the last paragraph of this Section.

**Need for the Regulation**

It was necessary to delete this last paragraph of this Section because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs.

**Section 1859.77.1. New Construction District Matching Share Requirement.**

**Specific Purpose of the Regulation**

To require that for SFP new construction projects, school districts must make a matching share contribution for any State funding provided under these Regulations. To repeal subsection (b).

**Need for the Regulation**

It was necessary to delete subsection (b) and to delete Education Code Section 17074.32 from the list of "Reference Sections" because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs. In addition, a non-substantive change is made by deleting the subsection "(a)" so that its words remain in sentence format rather than as a stand-alone subsection. This is for the purpose of maintaining consistency and continuity of the SFP Regulations.

**Section 1859.78.9. Separate Apportionment for Modernization Reconfiguration under the Small High School Program.**

**Specific Purpose of the Regulation**

To repeal this regulation section.

**Need for the Regulation**

It was necessary to repeal this section because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs.

**Section 1859.79. Modernization Matching Share Requirement.**

**Specific Purpose of the Regulation**

To require that for SFP modernization projects, school districts must make a matching share contribution equal to at least 20 percent (for applications on or before April 29, 2002) or 40 percent (for applications after April 29, 2002) of the total project cost.

## **Need for the Regulation**

It was necessary to 1) delete the reference to modernization grants for SHSP Reconfiguration projects in the introductory sentence; 2) delete the last paragraph of this Section referring to costs of SHSP Reconfiguration projects; and 3) delete Education Code Section 17074.32 from the list of "Reference Sections." The statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs.

### **Section 1859.79.2. Use of Modernization Grant Funds.**

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

To specify the permissible and impermissible uses of modernization grant funds.

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

It was necessary to delete subsection (e) referring to costs of SHSP Reconfiguration projects, and to delete Education Code Section 17074.32 from the list of "Reference Sections" because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs.

### **Section 1859.79.3. Minimal Requests for Modernization Grant Funds.**

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

To require applications for Modernization grant funding to submit Form SAB 50-04 for at least 101 pupil grants or for the remaining modernization eligibility at the school site if less than 101 grants.

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

It was necessary to add new regulatory language that would authorize districts to submit SDC modernization applications for "any one of the following:

- (1) at least 52 Non-Severe grants, or
- (2) at least 36 Severe grants, or
- (3) at least 101 grants, or
- (4) the remaining modernization eligibility at the school site if less than the grants in (1), (2), or (3)."

The purpose of the proposed amendments is to allow school districts to apply for funding for smaller size SDC modernization projects for the benefit of disabled pupils and to meet the needs of some districts for smaller size SDC projects. This is within the regulatory authority of the State Allocation Board under Education Code Section 17070.35 and Government Code Section 53311 to adopt regulations for the School Facility Program. In addition, the proposed amendments letter the final sentence of the Section as subsection "(b)" for the purpose of maintaining consistency and continuity of the SFP Regulations.

**Section 1859.83. Excessive Cost Hardship Grant.**

**Specific Purpose of the Regulation**

To set forth district eligibility criteria for excessive cost hardship grant funding as a result of specified unusual circumstances, including subsections (b) - - Excessive Cost Hardship Grants for small size projects (no more than 200 pupils), and (c)(3) - - New Construction Excessive Cost Hardship Grants for Small High School projects.

**Need for the Regulation**

- Subsection (b): It was necessary to add clauses to (b)(1) and (b)(2) and add new (b)(5) to specify that SDC modernization projects for at least 52 Non-Severe pupil grants or at least 36 Severe pupil grants, but less than 101 pupil grants, are eligible for an Excessive Cost Hardship Grant equal to four percent of the modernization grant funding. The purpose for extending this Hardship Grant to such SDC projects is to help applicant districts offset the project costs because small size projects generally cannot achieve the cost economies of larger projects, and because such SDC projects are commensurate in scope and base grant amount to other projects in that four percent category.
- Subsection (c): It was necessary to delete the reference to SHSP new construction projects in (c)(1) and delete subsection (c)(3) regarding SHSP new construction projects because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs.
- “Reference Sections” at the end of the Section: It was necessary to add Education Code Section 17250.30 to the list because it contains applicable requirements for bonding, labor compliance programs, and prevailing wage monitoring and enforcement for SFP projects.

**Section 1859.93.2. New Construction Adjusted Grant for the Small High School Program.**

**Specific Purpose of the Regulation**

To repeal this regulation section.

**Need for the Regulation**

It was necessary to repeal this section because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs.

**Section 1859.93.3. New Construction Small High School Program Funding Order.**

**Specific Purpose of the Regulation**

To repeal this regulation section.

**Need for the Regulation**

It was necessary to repeal this section because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs.

## **Section 1859.104. Program Reporting Requirements.**

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

To repeal subsection (e) relating to the SHSP.

### **Need for the Regulation**

It was necessary to delete subsection (e) in its entirety because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs. In addition, the subsections following it are re-lettered as (e) and (f) for the purpose of maintaining consistency and continuity of the SFP Regulations.

## **SCHOOL FACILITY PROGRAM FORM**

### **Application for Funding, Form SAB 50-04 (Revised 01/12).**

### **Specific Purpose of the Form**

To delete the text and data fields regarding the SHSP from the General Information, Specific Instructions, Form, and Certifications regarding the SHSP.

### **Need for the Form**

It was necessary to delete this information because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs. Following deleted subsections, certain subsections were re-lettered for the purpose of maintaining consistency and continuity of the SFP Regulations.

Pages 1 through 10, Heading. It was necessary to change the revision date of Form SAB 50-04 to reflect a revision date of "01/12" in order that SFP applicants can identify and submit the current version of this Form.

Page 1, Column 2, Paragraph 5, Bullet no. 8. It was necessary to delete this sentence about funding for the SHSP because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs.

Page 3, Column 2, Paragraph 5. d. 5). It was necessary to delete the third sentence of this subsection about funding for the SHSP because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs.

Page 3, Column 2, Paragraph 5. f. It was necessary to delete the second sentence of this subsection about funding for the SHSP because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs.

Page 4, Column 1, Paragraph 6. d. It was necessary to delete subsection "d." about funding for the SHSP because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs. It was necessary to re-letter subsections "e." and "f." as "d." and "e." for the purpose of maintaining consistency and continuity of the SFP Regulations.

Page 6, Column 1, Section 1, Fourth Option. It was necessary to delete the fourth Type of Application for funding for the SHSP because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs.

Page 7, Column 1, Section 6. d. It was necessary to delete subsection “d.” for funding for the SHSP because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs. It was necessary to re-letter subsections “e.” and “f.” as “d.” and “e.” for the purpose of maintaining consistency and continuity of the SFP Regulations.

Page 7, Column 1, Section 7, Fourth Option. It was necessary to delete the fourth option to request funding for the SHSP because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs. This funding option must be deleted because it is based upon Regulation “Section 1859.83(c)(3),” a subsection being deleted by the proposed regulatory amendments.

Page 10, Column 1, Bullets no. 2, 3, 4, and 5. It was necessary to delete these four bullet items concerning the SHSP because the statutory authority for the SHSP was repealed effective January 1, 2008, with the balance of unallocated funds returned to the New Construction and Modernization Programs. These bullet items must be deleted because they are based upon regulation sections being repealed by the proposed regulatory amendments.

The proposed Form amendments facilitate the funding application process by reflecting the repeal of the statutory authority for the SHSP effective January 1, 2008, and are therefore reasonably necessary to carry out the State Allocation Board’s statutory authority under Education Code Section 17070.35 and Government Code Section 53311 to regulate the SFP.

No reasonable alternatives were considered to the proposed regulatory amendments because they promote fairness and social equity for disabled California school pupils by permitting smaller size modernization projects to qualify for SFP school bond funding - - that is, fewer than 12 classrooms for Severely Disabled pupils and fewer than eight classrooms for Non-Severely Disabled pupils, while having no adverse economic impact on school districts, charter schools, and businesses, including small businesses. The proposed amendments do not mandate the use of specific technologies, equipment, actions or procedures. The amendments were adopted by the State Allocation Board at its meeting on January 25, 2012, and there were no opposing public comments.

#### **Technical Documents Relied Upon**

The State Allocation Board’s Action item, dated January 25, 2012, entitled “School Facility Program Regulatory Amendments.”

The Economic Impact Assessment prepared pursuant to Government Code Section 11346.3(b).

### **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, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

### **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 regulation, nor will they benefit from or be disadvantaged by the regulation.

### **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. They will not require local agencies, school districts or charter schools to incur additional costs in order to comply with the proposed regulations.