

Amend Regulation Section 1859.90.2. Priority Funding Process.

The priority funding process allows the Board to distribute available funds to districts or charter schools that request, pursuant to (a) or (b) below, as applicable, an Apportionment or an advance release of funds from a Preliminary Apportionment or Preliminary Charter School Apportionment, during specific 30-calendar day filing periods beginning with July 27, 2011 and continuing with the 2nd Wednesday of January and the 2nd Wednesday of July of 2012. Requests submitted during the filing periods described above are valid until the next filing period begins. The specific 30-calendar day filing periods subsequent to 2012 begin with January 9, 2013 and continue with the 2nd Wednesday of May and the 2nd Wednesday of November, each calendar year. Requests submitted during the filing period beginning with January 9, 2013 are valid until June 30, 2013. Requests submitted during a filing period beginning with the 2nd Wednesday of May are valid from July 1 until December 31 of that year. Requests submitted during a filing period beginning with the 2nd Wednesday in November are valid from January 1 until June 30 of the following year. Requests must be physically received by the OPSC by the 30th calendar day of each filing period to be considered valid.

- (a) In order to be considered for an Apportionment, approved advance release of design funds from a Preliminary Charter School Apportionment, or approved advance release of environmental hardship site acquisition funds from a Preliminary Apportionment, the district or charter school must provide a priority funding request in the form of a written statement signed by an authorized representative that includes each of the project ~~a~~Application numbers, and the type of ~~a~~Apportionment request (e.g., Apportionment, separate ~~a~~Apportionment for design or site acquisition), within the 30-calendar day filing period, and shall contain ~~all~~ of the following:
- (1) Statement that the request is to convert the unfunded approval to an Apportionment or to receive an approved advance release of funds; and
 - (2) Acknowledgement that a valid, original signature Form SAB 50-05 must be submitted and physically received by the OPSC within 90 calendar days of Apportionment or approved advance release of funds request, except for a Career Technical Education Facilities Project in (a)(5), and that failure to do so will result in the rescission of the Apportionment or approved advance release of funds request without further Board action; and
 - (3) Acknowledgement that, if the district submits the Form SAB 50-05 on or after July 1, 2013 and is required to submit an LCP third party report, pursuant to Section 1859.97(b), the report will be submitted to the OPSC and the DIR at least 60 days prior to submitting the Form SAB 50-05; and
 - (4) For those receiving an Apportionment, acknowledgement that by participating in the priority funding process, the district or charter school is waiving its right to the 18 month timeline for fund release submittal described in Section 1859.90.
 - (5) For a Career Technical Education Facilities Project that was granted an unfunded approval without the required CDE plan approval and/or required DSA-approved plans and specifications, the applicant's request must include:
 - (A) Acknowledgement that the applicant must submit the required approval(s) to the OPSC within 12 months from the date of the Apportionment. If the required submittal(s) is not received within 12 months, the Apportionment shall be rescinded without further Board action pursuant to Section 1859.197 (c)(1); and
 - (B) Acknowledgment that a valid, original signature Form SAB 50-05 must be submitted and physically received by the OPSC within 90 calendar days of the submittal described in (5)(A) and that failure to do so will result in the rescission of the Apportionment without further Board action.
- (b) In order to be considered for an approved advance release of site acquisition funds from a Preliminary Charter School Apportionment, the district or charter school must provide a priority funding request in the form of a written statement signed by an authorized representative within the 30-calendar day filing period, and shall contain all of the following:
- (1) Statement that the request is to convert the advance release of funds to an approved advance release of funds request; and,
 - (2) Acknowledgement that a valid, original signature Form SAB 50-05 must be submitted and physically received by the OPSC within 180 calendar days of the approved advance release of funds request and that failure to do so will result in the rescission of the approved advance release of funds request without further Board action; and

- (3) Acknowledgement that it must provide evidence that it has entered into the Charter School Agreements within 90 calendar days of approval of the advance release of funds request and that failure to do so will result in the rescission of the approval without further Board action.
- (c) If a district or charter school receives an Apportionment or approved advance release of funds request through the priority funding process, the OPSC must receive a valid, original signature copy of the Form SAB 50-05 within the specified time period, pursuant to (a)(2), (a)(5) or (b)(2) as applicable. If the OPSC does not receive a valid, original signature copy of the Form SAB 50-05 within the time period:
 - (1) The priority funding Apportionment or approved advance release of funds request shall be rescinded without further Board action, and
 - (2) If the ~~a~~Application is not subject to rescission pursuant to Section 1859.90.3(c) as defined in Section 1859.90.3(d), the ~~a~~Application shall return to the Unfunded List (Lack of AB 55 Loans) with a new unfunded approval date that is 90 calendar days from the date of Apportionment or approval of the advance release of funds request.
- (d) In the event that the amount of requests received during a specific 30-calendar day filing period exceeds the funds available, the Board shall apportion based on the unfunded approval date and the ~~a~~Application received date up to the available cash from each bond source. Projects that have requested to participate in the priority funding process for which an Apportionment cannot be provided shall retain their date order position on the Unfunded List (Lack of AB 55 Loans). Requests not converted to ~~a~~Apportionments will not be returned to the district or kept by the OPSC.
- (e) For purposes of this section "rescinded" or "rescission" shall mean that the ~~a~~Apportionment or approved advance release of funds request returns to unfunded approval status with a new unfunded approval date, except for (a)(5)(A). The new unfunded approval date will be 90 calendar days from the ~~a~~Apportionment date. The district or charter school will not be required to re-submit the ~~a~~Application and no further ~~a~~Application review will be required.

Amend Regulation Section 1859.90.3. Participation in the Priority Funding Process.

This section applies ~~only~~ to ~~a~~Applications for funding for new construction, modernization, Overcrowding Relief Grant, Career Technical Education Facilities Program, Facility Hardship pursuant to Section 1859.82 and rehabilitation pursuant to Section 1859.83(e), and Charter School Facilities Program, excluding advance release of design and/or site acquisition funds from a Preliminary Charter School Apportionment, and specifically excludes applications for the Charter School Facilities and Career Technical Education Facilities Programs.

- (a) For each ~~a~~Application on the Unfunded List (Lack of AB 55 Loans) for new construction, modernization, Facility Hardship pursuant to Section 1859.82 or rehabilitation pursuant to Section 1859.83(e), the occurrences of (1) or (2) below shall be limited after the effective date of this regulation section [March 25, 2013]. For each Application on the Unfunded List (Lack of AB 55 Loans) for Overcrowding Relief Grant, Career Technical Education Facilities Program, and Charter School Facilities Program, excluding advance release of design and/or site acquisition funds from a Preliminary Charter School Apportionment, the occurrences of (1) or (2) below shall be limited after the effective date of this regulation section [XXX, 2014]:
 - (1) The district abstains from participating in a priority funding 30-calendar day filing period described in Section 1859.90.2 for the ~~a~~Application on the Unfunded List (Lack of AB 55 Loans).
 - (2) The ~~a~~Application receives a priority funding Apportionment pursuant to Section 1859.90.2(a), and the district fails to meet the fund release requirements pursuant to Section 1859.90.2(c).
- (b) The first occurrence of (a)(1) or (a)(2) shall result in the following, as applicable:
 - (1) If (a)(1) occurs, the ~~a~~Application shall retain its place on the Unfunded List (Lack of AB 55 Loans).
 - (2) If (a)(2) occurs, the priority funding Apportionment shall be rescinded and the ~~a~~Application shall be returned to the Unfunded List (Lack of AB 55 Loans) pursuant to Section 1859.90.2(c)(2).
- (c) If subsection (b) has occurred, a subsequent occurrence of either (a)(1) or (a)(2) shall result in the rescission of the ~~a~~Application's Apportionment and/or unfunded approval, as applicable, and the removal of the ~~a~~Application from the Unfunded List (Lack of AB 55 Loans) without further Board action. The ~~a~~Application shall be returned to the applicant.
- (d) For purposes of subsection (c), "rescinded" or "rescission" of an unfunded approval shall mean that the bond authority associated with the Apportionment or unfunded approval, as applicable, returns to the appropriate School

Facility Program bond authority source for reallocation. If applicable, the pupils housed in the project will be added back to the district's baseline eligibility pursuant to Sections 1859.51(d) for new construction or 1859.61(d) for modernization.

Amend Regulation Section 1859.193. Career Technical Education Facilities Grant Determination.

A Career Technical Education Facilities Project may construct a new facility or modernize or Reconfigure an existing school building. The ~~a~~Application for Career Technical Education Facility funding may accompany an ~~a~~Application for new construction funding pursuant to Section 1859.70 or may be submitted independently. The applicant must identify square footage of the Career Technical Education Facility being constructed, modernized, reconfigured or equipped, on the funding ~~a~~Application. Equipment purchased under the Career Technical Education Facilities Program must have an average useful life expectancy of at least ten years pursuant to Education Code 17078.72(a). An ~~a~~Application for a Career Technical Education Facilities Project may consist entirely of equipment. All equipment must be purchased on or after May 20, 2006, unless the Career Technical Education Facilities Project is combined with a qualifying SFP new construction project pursuant to Section 1859.193.1.

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- (d) If an applicant meets the eligibility criteria in Section 1859.192, but does not have the necessary approvals from the DSA and/or the CDE at the time of ~~a~~Apportionment, the Board may apportion funds for the Career Technical Education Facilities Project and reserve them for a period of up to 12 months. The grant amount to be reserved for the project will be the maximum funding as determined above in (a), (b), or (c).
- (e) Funding provided as prescribed in Section 1859.71.6 and Section 1859.77.4 shall not be affected by the maximum funding determinations listed above.

Amend Regulation Section 1859.197. Fund Release Process.

The OPSC will release State funds that have been apportioned by the Board pursuant to Sections 1859.195 and 1859.196 after submittal by the applicant of the Form SAB 50-05.

- (a) If an ~~a~~Apportionment was made for a Career Technical Education Facilities Project, the applicant must submit a Form SAB 50-05 within 18 months of the Apportionment as outlined in Education Code Section 17076.10 or the ~~a~~Apportionment shall be rescinded without further Board action.
- (b) If Career Technical Education Facilities funds were reserved for the applicant pursuant to Section 1859.193(d) of these Regulations, the applicant:
 - (1) Has one year from the date of ~~a~~Apportionment to submit the CDE plan approval and DSA-approved plans and specifications, as required, to the OPSC for the Career Technical Education Facilities Project, otherwise the ~~a~~Apportionment shall be rescinded without further Board action.
 - (2) Has 18 months from the date the CDE plan approval and DSA-approved plans and specifications, as needed, are submitted to the OPSC to submit a completed Form SAB 50-05 or the ~~a~~Apportionment shall be rescinded without further Board action. If the district is requesting an ~~a~~Apportionment pursuant to Section 1859.90.1 or 1859.90.2, the Board will require that this time limit be reduced to no more than 90 days from the date of the ~~a~~Apportionment.
- (c) For an Apportionment received pursuant to Section 1859.90.2 where submittal of the necessary CDE plan approval and/or DSA-approved plans and specifications were not required at the time the Board granted an unfunded approval, then the applicant:
 - (1) Has up to 12 months to submit the required approvals from the date of Apportionment. If the required submittal(s) is not received within 12 months, the Apportionment shall be rescinded without further Board action and the Career Technical Education Facilities bond authority will return to the program for reallocation.
 - (2) The submittal date in (c)(1) shall start the 90 calendar day fund release process in Section 1859.90.2.
- ~~(e)~~(d) If the applicant requires a loan for the entire matching share requirement pursuant to Section 1859.194(b) of these Regulations:

- (1) Subject to the availability of financing provided by the Pooled Money Investment Board for bond-funded projects, the OPSC will release ten percent of the Career Technical Education Facilities grant to the applicant within 30 calendar days of the ~~a~~Apportionment.
- (2) The applicant has one year from the date of ~~a~~Apportionment to submit the CDE plan approval and DSA-approved plans and specifications, as required, to the OPSC for the Career Technical Education Facilities Project, otherwise the ~~a~~Apportionment shall be rescinded without further Board action.
- (3) The applicant has 18 months from the date in ~~(e)(2)(d)(2)~~ to submit a completed Form SAB 50-05 or the ~~a~~Apportionment shall be rescinded without further Board action.
- ~~(d)(e)~~ If the district is requesting an Apportionment pursuant to Section 1859.90.1 or 1859.90.2 and if the district is requesting funding as prescribed in Section 1859.71.6 or Section 1859.77.4, as applicable, then the district must submit the necessary approvals from the DSA and/or the CDE, as applicable, at least 90 days prior to requesting an Apportionment.
- ~~(e)(f)~~ If the district receives an Apportionment pursuant to (a) or (b) and if the district is requesting funding as prescribed in Section 1859.71.6 or Section 1859.77.4, as applicable, then the district must submit the necessary approvals from the DSA and/or the CDE, as applicable, at least 90 days prior to receiving an Apportionment.
- ~~(f)(g)~~ The applicant is subject to substantial progress time limit on the ~~a~~Apportionment as outlined in Education Code Section 17076.10(b).
- ~~(g)(h)~~ In the event the Board determines there is a fiscal emergency or crisis on the part of the State of California, the Board may grant an extension not to exceed 12 months to the time limit prescribed in (b)(1) and ~~(e)(d)(2)~~ above and Section 1859.193(d). Regulation Section 1859.197~~(g)(h)~~ shall become inoperative January 1, 2010.