

INITIAL STATEMENT OF REASONS

SCHOOL FACILITY PROGRAM REGULATIONS

Section 1859.2. Definitions.

Specific Purpose of the Regulation

To provide the meaning of additional specific term that is essential to these regulations, to make minor non-substantive changes to existing terms, and to add a reference to a new regulation subsection that provides a grant for prevailing wage monitoring and enforcement costs.

Need for the Regulation

“Charter School Facilities Program Rehabilitation Grant”: It was necessary to add this definition as it allows for simpler regulatory language for Charter School Facilities Program rehabilitation supplemental grants. It was also necessary to add this definition for specific words and terms that are used extensively in these regulations as it eliminates the need for restating definitions at every instance of use.

“Financially Sound”: It was necessary to make minor non-substantive changes to correct a reference to a specific subsection of the Education Code and the name of the California Code of Regulations.

“Preliminary Charter School Application”: It was necessary to make minor grammatical changes in order to maintain consistency throughout the State Allocation Board’s (SAB) regulations. These are considered non-substantive changes.

“Preliminary Charter School Apportionment”: It was necessary to make a minor non-substantive change to correct a reference to a specific subsection of the Education Code.

“Total Projected Bond Apportionment”: It was necessary to add a reference to a new regulation section that provides a grant for prevailing wage monitoring and enforcement costs, which was excluded from the meaning of this term.

Section 1859.77.4. Addition to a Site and Modernization Grant for High Performance Incentive.

Specific Purpose of the Regulation

To add the term “Charter School Facilities Program Rehabilitation Grant,” to the list of grants that determine the High Performance Incentive grant and to make minor-non substantive changes.

Need for the Regulation

Subsection (b): It was necessary to add a reference to a new paragraph that refers to the Charter School Facilities Program Rehabilitation Grant, and to revise references to subsequent paragraphs that were renumbered because of the new addition.

Subsection (b)(6): It was necessary to add a reference to the new defined term, “Charter School Facilities Program Rehabilitation Grant” to clarify that Charter School Facilities Program (CSFP) rehabilitation projects remain eligible to receive a High Performance Incentive grant.

Subsections (b)(7), (b)(8) and (b)(9): It was necessary to renumber these subsections due to the addition of subsection (b)(6). These are considered non-substantive changes.

Section 1859.106.1. Repayment of State Funds.

Specific Purpose of the Regulation

To make non-substantive changes.

Need for the Regulation

Introductory paragraph and subsection (c): Throughout these sections, it was necessary to make minor grammatical changes in order to maintain consistency throughout the SAB’s regulations. These are considered non-substantive changes.

Section 1859.160. General.

Specific Purpose of the Regulation

To make non-substantive changes.

Need for the Regulation

Throughout this section, it was necessary to make minor non-substantive changes replacing the word “Charter School” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

Section 1859.161. Preliminary Charter School Application Submittals.

Specific Purpose of the Regulation

To make non-substantive changes.

Need for the Regulation

It was necessary to make a minor non-substantive change replacing the word “Charter School” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. This regulatory amendment allows both charter schools and school districts to apply for CSFP funding.

Section 1859.162. General Preliminary Charter School Apportionment Eligibility Criteria.

Specific Purpose of the Regulation

To make non-substantive changes.

Need for the Regulation

It was necessary to make minor non-substantive changes replacing the words “A” with “an,” and “Charter School,” and “charter school” with “applicant,” and capitalizing the first letters of “Charter School,” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

Section 1859.163. Approval of Applications for Preliminary Charter School Apportionments.

Specific Purpose of the Regulation

To make non-substantive changes.

Need for the Regulation

It was necessary to make minor non-substantive changes replacing the word “Charter School” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

Section 1859.163.1. Preliminary Charter School New Construction Apportionment Determination.

Specific Purpose of the Regulation

To make non-substantive changes.

Need for the Regulation

Subsections (a)(2), (a)(3), (a)(4)(B), (a)(5)(A), (a)(5)(B), (a)(6)(A), (a)(9), (b)(2), (c)(3), (f) and (g): It was necessary to make minor non-substantive changes replacing the word “Charter School,” or the word “district,” or the words “school district” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

Section 1859.163.4. Preliminary Charter School Rehabilitation Apportionment Eligibility Criteria.

Specific Purpose of the Regulation

To make non-substantive changes.

Need for the Regulation

Subsection (d): It was necessary to make a minor non-substantive change capitalizing the first letters of “Charter School” in order to maintain consistency throughout the SAB’s regulations.

Section 1859.163.5. Preliminary Charter School Rehabilitation Apportionment Determination.

Specific Purpose of the Regulation

- To align CSFP rehabilitation supplemental grants with the requirements of the Education Code [Education Code Section 17078.54(d)].
- To clarify the calculation of project classroom capacity for purposes of subsection (a)(2).
- To clarify requirements and calculations for initiating and enforcing a labor compliance program for purposes of a Preliminary Charter School Rehabilitation Apportionment supplemental grant.
- To clarify requirements and calculations for prevailing wage monitoring and enforcement costs for purposes of a Preliminary Charter School Rehabilitation Apportionment supplemental grant.
- To facilitate understanding by restating in two subsections the existing criteria about Charter Schools paying their matching shares through the form of lease payments, rather than in one concluding subsection.
- To make non-substantive changes.

Need for the Regulation

Subsection (a)(2)(A): It was necessary to amend this subsection to clarify the method of calculating the project's classroom capacity. Because CSFP rehabilitation projects are not funded on a per-pupil grant basis, it is not possible to determine project capacity by using the amount of pupil grants requested as would be done with modernization projects. Also, it was necessary to make a minor non-substantive change replacing the word "district" with "applicant" in order to maintain consistency throughout the SAB's regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

Subsection (a)(2)(B): It was necessary to amend this subsection to clarify the method of calculating the project's classroom capacity. Because CSFP rehabilitation projects are not funded on a per-pupil grant basis, it is not possible to determine project capacity by using the amount of pupil grants requested as would be done with modernization projects. Also, it was necessary to make a minor non-substantive change replacing the word "district" with "applicant" in order to maintain consistency throughout the SAB's regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

Section (a)(5), line 1: It was necessary to change "\$60,000" to "\$84,082" for Preliminary Charter School Rehabilitation Apportionment calculations for new two-stop elevators in order to align these supplemental grants with the requirements of the Education Code [Education Code Section 17078.54(d)]. This supplemental grant was based on a 60 percent state share and 40 percent local matching share basis, but the Education Code requires CSFP grants to be on a 50 percent state share and a 50 percent local share basis. The \$84,082 figure is based on an initial cost of \$100,898 (grant amount for a two-stop elevator) multiplied by 50 percent then divided by 60 percent equals \$84,082.

Section (a)(5), line 2: It was necessary to change "\$10,800" to "\$15,133" for Preliminary Charter School Rehabilitation Apportionment calculations for each additional stop for elevators beyond two stops, in order to align these supplemental grants with the requirements of the Education Code [Education Code Section 17078.54(d)]. This supplemental grant was based on a 60

percent state share and 40 percent local matching share basis, but the Education Code requires CSFP grants to be on a 50 percent state share and a 50 percent local share basis. The \$15,133 figure is based on an initial cost of \$18,160 (grant amount for an additional stop elevator) multiplied by 50 percent then divided by 60 percent equals \$15,133.

Section (a)(7): It was necessary that the words “Charter School” are amended to “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. This regulatory amendment allows both charter schools and school districts to apply for CSFP funding.

Section (b): It was necessary to add clarifying language to let school districts and charter schools know that a determination will be made for Labor Compliance Program or prevailing wage monitoring costs based on certain scenarios.

Subsection (b)(1): This new subsection was necessary to add clarifying language to describe the projects that are required to initiate and enforce a Labor Compliance Program, and to introduce the calculation of the Labor Compliance Program grant. This clarification was necessary because this subsection previously referred to Section 1859.71.4(a), which is specific to new construction projects.

Subsection (b)(1)(A): This new subsection was necessary to clarify that the Labor Compliance Program grant calculation is based on the costs of a CSFP rehabilitation project, and the amount determined in the chart in Section 1859.71.4(b). This language is similar to Labor Compliance Program grant regulations for modernization projects in Section 1859.78.1(a)(1), except this section refers to CSFP rehabilitation projects rather than modernization.

Subsection (b)(1)(B): This new subsection was necessary to clarify that the Labor Compliance Program grant calculation includes lease payments for the applicant’s matching share of CSFP projects.

Subsection (b)(2): It was necessary to delete the existing language and add clarifying language that the projects may qualify for the prevailing wage monitoring grant and to clarify the calculation of the grant. This clarification was necessary because this subsection previously referred to Section 1859.71.4(c), which is specific to new construction projects.

Subsection (b)(2)(A): This new subsection was necessary to clarify that the prevailing wage monitoring calculation includes lease payments for the applicant’s matching share of CSFP projects.

Subsection (b)(3): It was necessary to delete the existing language and add language specific to the Labor Compliance Program grant and the prevailing wage monitoring grant in order to make it clear that the provisions apply to both grants.

Subsection (d): It was necessary to make minor non-substantive changes replacing the word “school district” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. This regulatory amendment allows both charter schools and school districts to apply for CSFP funding.

Subsection (e): It was necessary to make minor non-substantive changes replacing the words “district” and “school district” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

Section 1859.164. Application Funding Criteria.

Specific Purpose of the Regulation

To make non-substantive changes.

Need for the Regulation

It was necessary to make minor non-substantive changes replacing the words “a” with “an” and “Charter School” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

Section 1859.164.1. Calculation of Preference Points.

Specific Purpose of the Regulation

To make a non-substantive change.

Need for the Regulation

It was necessary to make a minor non-substantive change replacing the word “Charter School” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. This regulatory amendment allows both charter schools and school districts to apply for CSFP funding.

Section 1859.164.2. Preliminary Charter School Apportionment Fund Release.

Specific Purpose of the Regulation

To make non-substantive changes.

Need for the Regulation

It was necessary to make minor non-substantive changes replacing the word “Charter School” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

Section 1859.165. Conversion of Preliminary Charter School Apportionment.

Specific Purpose of the Regulation

To make non-substantive changes.

Need for the Regulation

It was necessary to make minor non-substantive changes replacing the word “Charter School” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the

Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

Section 1859.166. Time Limit on Preliminary Charter School Apportionment.

Specific Purpose of the Regulation

To make non-substantive changes.

Need for the Regulation

It was necessary to make minor non-substantive changes replacing the word “Charter School” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

Section 1859.166.1. Preliminary Charter School Apportionment Time Limit Extension.

Specific Purpose of the Regulation

To make non-substantive changes.

Need for the Regulation

It was necessary to make minor non-substantive changes replacing the word “Charter School” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

Section 1859.167. Final Charter School Apportionment.

Specific Purpose of the Regulation

To make non-substantive changes.

Need for the Regulation

Subsections (a), (b)(2), and (b)(3): It was necessary to make minor non-substantive changes replacing the word “Charter School” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

Subsection (b)(4): It was necessary to make non-substantive renumbering changes for two Section numbers listed in the text. The changes, “1859.167.2” was changed to “1859.167.4,” and “1859.167.3” was changed to “1859.167.5” because of the new Sections being added.

Section 1859.167.1. Final Charter School Apportionment Determination for Charter School Facilities Program Rehabilitation.

Specific Purpose of the Regulation

To describe the components and calculation of the Final Charter School Apportionment for CSFP rehabilitation projects. It was necessary to add this section to clarify the process of calculating and describing the grants that comprise Final Charter School Apportionment requests for CSFP rehabilitation projects. Previously, the Final Charter School Apportionment for Charter School Facilities Program Rehabilitation was calculated using the regulations for the modernization program. However, because the existing modernization grant calculations are not aligned with the requirement in Education Code Section 17078.54(d) for CSFP grants to be on a 50 percent state share and a 50 percent local share basis, it was necessary to add regulations detailing the components of Final Charter School Apportionment requests for Charter School Facilities Program rehabilitation.

Need for the Regulation

Introductory paragraph: It was necessary to state the process of calculating and to describe the supplemental grants that comprise Final Charter School Apportionment requests for CSFP rehabilitation projects.

Subsection (a): This subsection was necessary to describe the calculation of the Charter School Facilities Program Rehabilitation Grant. It was also necessary to use the new defined term, "Charter School Facilities Program Grant" to describe the square footage grant that Charter School Facilities Program rehabilitation projects receive in lieu of a per-pupil grant, and to allow simpler regulatory language for Charter School Facilities Program rehabilitation supplemental grants, such as geographic location, small size project, High Performance Incentive, and Urban/Security/Impacted site. This calculation is substantially similar to the corresponding grant calculation for the Preliminary Charter School Apportionment for Charter School Facilities Program rehabilitation in Section 1859.163.5.

Subsection (a)(1): This subsection was necessary to describe the square footage-based grant calculation. This language is identical to the corresponding regulation for the Preliminary Charter School Apportionment for Charter School Facilities Program rehabilitation.

Subsection (a)(1)(A): This subsection was necessary to describe a component of the square footage-based grant calculation. This language is similar to the corresponding regulation for the Preliminary Charter School Apportionment for Charter School Facilities Program rehabilitation, except it does not refer to the Charter School's projected enrollment, which is only used for the Preliminary Charter School Apportionment.

Subsection (a)(1)(B): This subsection was necessary to describe a component of the square footage-based grant calculation. This language is identical to the corresponding regulation for the Preliminary Charter School Apportionment for Charter School Facilities Program rehabilitation.

Subsection (a)(1)(C): This subsection was necessary to describe a component of the square footage-based grant calculation. This language is identical to the corresponding regulation for the Preliminary Charter School Apportionment for Charter School Facilities Program rehabilitation.

Subsection (a)(1)(D): This subsection was necessary to describe a component of the square footage-based grant calculation. This language is identical to the corresponding regulation for the Preliminary Charter School Apportionment for Charter School Facilities Program rehabilitation.

Subsection (a)(1)(E): This subsection was necessary to describe a component of the square footage-based grant calculation. This language is identical to the corresponding regulation for the Preliminary Charter School Apportionment for Charter School Facilities Program rehabilitation.

Subsection (a)(1)(F): This subsection was necessary to describe the square footage-based grant calculation. Apart from different subsection references, this language is identical to the corresponding regulation for the Preliminary Charter School Apportionment for Charter School Facilities Program rehabilitation.

Subsection (a)(1)(G): This subsection was necessary to describe the square footage-based grant calculation. This language is similar to the corresponding regulation for the Preliminary Charter School Apportionment for Charter School Facilities Program rehabilitation, except for the additional wording that clarifies that the square footage used for this calculation is not to exceed the amount used to determine the Preliminary Charter School Apportionment for the project. It was also necessary to add wording in the subsection to describe the method of annually adjusting the grants per square foot authorized by this regulation section.

Subsection (a)(2): This subsection was necessary to describe the calculation of the cap on the square footage-based grant described in subsection (a). This language is similar to the corresponding regulation for the Preliminary Charter School Apportionment for Charter School Facilities Program rehabilitation, except that “New Construction Grant” is capitalized to refer to the defined term and clarifying references to subsequent subsections are added.

Subsection (a)(2)(A): This subsection was necessary to describe the grade level usage of project classrooms needed to calculate the cap on the square footage-based grant described in subsection (a). This language is similar to the corresponding regulation for the Preliminary Charter School Apportionment for Charter School Facilities Program Rehabilitation, except it does not refer to the Charter School’s projected enrollment, which is only used for the Preliminary Charter School Apportionment.

Subsection (a)(2)(B): This subsection was necessary to describe the number of pupils per classroom at different grade levels that is needed to calculate the cap on the square footage-based grant described in subsection (a). This language is identical to the corresponding regulation for the Preliminary Charter School Apportionment for Charter School Facilities Program rehabilitation.

Subsection (a)(2)(C): This subsection was necessary to describe the calculation of the cap on the square footage-based grant described in subsection (a). This language is similar to the corresponding regulation for the Preliminary Charter School Apportionment for Charter School Facilities Program rehabilitation, except that the calculation refers to the New Construction Grant rather than a specific grant only used for Preliminary Charter School Apportionments. It was also necessary to add wording in the subsection to describe the method of annually adjusting the grants per square foot authorized by this regulation section.

Section 1859.167.2. Charter School Facilities Program Rehabilitation Additional Grant for Labor Compliance Program or Prevailing Wage Monitoring and Enforcement Costs.

Specific Purpose of the Regulation

To describe the components and calculation of the additional grant for Labor Compliance Program costs or prevailing wage monitoring and enforcement costs.

Need for the Regulation

Introductory paragraph: It was necessary to state that an additional grant for either Labor Compliance Program initiation/enforcement or prevailing wage enforcement cost is available, if applicable, and as determined by the calculations described in the following subsections.

Subsection (a): This subsection was necessary to set forth the requirements and calculation of the additional grant for Labor Compliance Program initiation/enforcement. This language is identical to the corresponding paragraph in the existing regulation for the Labor Compliance Program grant for new construction projects in Section 1859.71.4(a), except this section refers to increasing the Charter School Facilities Program Rehabilitation Grant by the applicable percentage rather than the per-unhoused pupil grant for new construction.

Subsection (a)(1): This subsection was necessary because the total amount of funding to be provided for Labor Compliance Program initiation/enforcement is determined using the chart in Section 1859.71.4(b). This language is similar to Labor Compliance Program grant regulations for modernization projects in Section 1859.78.1(a)(1), except this section refers to Charter School Facilities Program rehabilitation projects rather than modernization.

Subsection (a)(2): This subsection was necessary because the Labor Compliance Program grant calculation includes lease payments for the applicant's matching share of CSFP projects. This language is consistent with the amended regulation for the prevailing wage monitoring grant in Section 1859.163.5(b)(1)(B).

Subsection (b): This subsection was necessary to set forth the requirements and calculation of the prevailing wage monitoring grant. This is similar to language in the existing regulation for the prevailing wage monitoring grant for modernization projects in Section 1859.78.1(b), except the grant increase is 50 percent, rather than 60 percent, of one-fourth of one percent.

Subsection (b)(1): This subsection was necessary because the prevailing wage monitoring grant calculation includes lease payments for the applicant's matching share of CSFP projects. This language is consistent with the amended regulation for the prevailing wage monitoring grant in Section 1859.163.5(b)(2)(A).

Subsection (b)(2): This subsection was necessary to clarify the requirements of, and exemptions to, Labor Code Section 1771.3, which requires prevailing wage monitoring by the Department of Industrial Relations for most School Facility Program projects with contracts awarded on or after January 1, 2012. This language is identical to the existing regulation for the prevailing wage monitoring grant for modernization projects in Section 1859.78.1(c).

Subsection (b)(3): This subsection was necessary to clarify that applicants failing to meet the prevailing wage monitoring requirement must return the state funding provided for the project,

including interest. This language is nearly identical to the existing regulation for the prevailing wage monitoring grant for modernization projects in Section 1859.78.1(d), except that it refers to an “applicant” rather than “school district” because charter schools are allowed to apply for CSFP funding on their own behalf.

Subsection (b)(4): This subsection was necessary to clarify that applicants failing to meet the prevailing wage monitoring requirement or exemption to the requirement must return the state funding provided for the project, including interest. This language is nearly identical to the existing regulation for the prevailing wage monitoring grant for modernization projects in Section 1859.78.1(e), except that it refers to an “applicant” rather than “school district” because charter schools are allowed to apply for CSFP funding on their own behalf.

Section 1859.167.3. Excessive Cost Hardship Grant for Charter School Facilities Rehabilitation.

Specific Purpose of the Regulation

To describe the components and calculation of the Excessive Cost Hardship Grant for CSFP rehabilitation projects.

Need for the Regulation

Introductory paragraph: It was necessary to state that applicants for a Final Charter School Apportionment for Charter School Facilities Program Rehabilitation are eligible to receive the Excessive Cost Hardship Grants described in this section.

Subsection (a): This subsection was necessary to describe the projects that are eligible to receive the Geographic Location grant.

Subsection (a)(1): This subsection was necessary to state that the Charter School Facilities Program Rehabilitation Grant will be increased by the applicable percentage for geographic location.

Subsection (a)(2): This subsection was necessary to state that other Excessive Cost Hardship grants that may be increased by the applicable percentage for geographic location.

Subsection (b): This subsection was necessary to state that CSFP rehabilitation projects may receive an Excessive Cost Hardship grant for small size projects.

Subsection (b)(1): This subsection was necessary to describe the requirements for the small size project grant, and to clarify that the small size project grant is calculated by increasing the Charter School Facilities Program Rehabilitation Grant by the applicable percentage. This language is similar to the corresponding regulation for modernization and new construction projects, but with additional clarification of how to determine classroom capacity.

Subsection (b)(2): This subsection was necessary to describe the requirements for the small size project grant, and to clarify that the small size project grant is calculated by increasing the Charter School Facilities Program Rehabilitation Grant by the applicable percentage. This language is similar to the corresponding regulation for modernization and new construction projects, but with additional clarification of how to determine classroom capacity.

Subsection (c): This subsection was necessary to state that CSFP rehabilitation projects may receive an Excessive Cost Hardship grant for Urban Location, Security Requirements and Impacted Site.

Subsection (c)(1): This subsection was necessary to state the requirement for qualifying for an Excessive Cost Hardship grant for Urban Location, Security Requirements and Impacted Site.

Subsection (c)(2): This subsection was necessary to state that the grant is to be calculated by increasing the Charter School Facilities Program Rehabilitation Grant by the percentage calculated in this subsection.

Subsection (d): This subsection was necessary to state that CSFP rehabilitation projects may receive an Excessive Cost Hardship grant for handicapped accessibility and fire code requirements.

Subsection (d)(1): This subsection was necessary to set forth the calculation for the Excessive Cost Hardship grant for handicapped accessibility and fire code requirements. This subsection clarifies that the grant under this option is calculated by increasing the Charter School Facilities Program Rehabilitation Grant by three percent.

Subsection (d)(2): This subsection was necessary to set forth a second option for calculating the Excessive Cost Hardship grant for handicapped accessibility and fire code requirements that is aligned with the requirements of the Education Code [Education Code Section 17078.54(d)]. Previously, the regulations for modernization projects, which provided an amount based on a 60 percent state share and 40 percent local matching share basis, were also used to provide this grant to CSFP projects, but the Education Code requires CSFP grants to be on a 50 percent state share and a 50 percent local share basis. It was also necessary to state there is a cap on the grant.

Subsection (d)(2)(A): This subsection was necessary to clarify the method of calculating the project's classroom capacity. Because CSFP rehabilitation projects are not funded on a per-pupil grant basis, it is not possible to determine project capacity by using the amount of pupil grants requested as would be done with modernization projects.

Subsection (d)(2)(B): This subsection was necessary to clarify the calculation of the eligible costs for minimum accessibility and fire code work necessary to receive approval from the Division of the State Architect. Consistent with the accessibility and fire code Excessive Cost Hardship grant for modernization projects, the eligible costs are reduced by seven percent of the state and district share of the Modernization Grant that would be provided for the pupil capacity of the project because this percentage of the grant was originally intended for accessibility and fire code work.

Subsection (d)(2)(C): This subsection was necessary to clarify the calculation of the cap on this option of the Excessive Cost Hardship grant for handicapped accessibility and fire code requirements. Consistent with the regulation for accessibility and fire code Excessive Cost Hardship grant for modernization projects, this cap limits this option of the grant to the difference between the state share of the New Construction Grant for the capacity of the project and the state and district share of the Modernization grant for the capacity of the project.

Subsection (d)(2)(C)1: This subsection was necessary to clarify the calculation of one of the amounts used to determine the cap on this option the Excessive Cost Hardship grant for

handicapped accessibility and fire code requirements. Consistent with the regulation for accessibility and fire code Excessive Cost Hardship grant for modernization projects, this amount represents the New Construction Grant multiplied by the pupil capacity of the project.

Subsection (d)(2)(C)2: This subsection was necessary to clarify the calculation of one of the amounts used to determine the cap on this option the Excessive Cost Hardship grant for handicapped accessibility and fire code requirements. Consistent with the regulation for accessibility and fire code Excessive Cost Hardship grant for modernization projects, this amount represents the state and district share of the Modernization Grant, but clarifies that the state and district share Modernization Grant is to be multiplied by the project's classroom capacity. The clarification is necessary because CSFP rehabilitation projects are not funded on a per-pupil grant basis, and it is not possible to determine project capacity by using the amount of pupil grants requested as would be done with modernization projects.

Subsection (d)(3): This subsection was necessary to clarify the appropriate grant amount for new two-stop elevators in Final Charter School Rehabilitation Apportionment projects that will be aligned with the requirements of the Education Code [Education Code Section 17078.54(d)]. Previously, the regulations for modernization grants were used, which provided an amount based on a 60 percent state share and 40 percent local matching share basis, but the Education Code requires CSFP grants to be on a 50 percent state share and a 50 percent local share basis.

Subsection (d)(4): This subsection was necessary to clarify the appropriate grant amount for each additional stop for elevators beyond two stops in Final Charter School Rehabilitation Apportionment projects that will be aligned with the requirements of the Education Code [Education Code Section 17078.54(d)]. Previously, the regulations for modernization grants were used, which provided an amount based on a 60 percent state share and 40 percent local matching share basis, but the Education Code requires CSFP grants to be on a 50 percent state share and a 50 percent local share basis.

Section 1859.167.4. Preliminary Apportionment Rescissions.

Specific Purpose of the Regulation

To renumber this section and make minor non-substantive changes.

Need for the Regulation

It was necessary to renumber Section "1859.167.2" as "1859.167.4" because this regulatory action added new regulation sections that renumber this Section in order to maintain the sequential numbering of the SFP Regulations. It was also necessary to make minor non-substantive capitalization changes of the words "Preliminary Charter School Apportionments" in order to maintain consistency throughout the SAB's regulations.

Section 1859.167.5. Use of the Unrestricted Charter School Funds.

Specific Purpose of the Regulation

To renumber this section.

Need for the Regulation

It was necessary to renumber Section “1859.167.3” as “1859.167.5” because this regulatory action added new regulation sections that renumber this Section in order to maintain the sequential numbering of the SFP Regulations.

Section 1859.168. Preliminary Charter School Apportionment Matching Share Requirement.

Specific Purpose of the Regulation

To make a non-substantive change.

Need for the Regulation

It was necessary to make a minor non-substantive change replacing the word “Charter School” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. This regulatory amendment allows both charter schools and school districts to apply for CSFP funding.

Section 1859.171. Use of Facility.

Specific Purpose of the Regulation

To make non-substantive changes.

Need for the Regulation

It was necessary to make minor non-substantive changes by capitalizing the first letters in the words “Charter School,” and to replace the words “Charter School” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

Section 1859.172. Title to Project Facilities.

Specific Purpose of the Regulation

To make non-substantive changes.

Need for the Regulation

It was necessary to make minor non-substantive changes by capitalizing the first letters in the words “Charter School,” and to replace “a” with “an,” and to replace the words “charter school” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

SCHOOL FACILITY PROGRAM FORMS

Application for Funding, Form SAB 50-04 (Revised 05/13/14).

Specific Purpose of the Form

- To bring current the latest revision date for this Form from “05/13” to “05/14.”
- To add a new general information paragraph 8 setting forth document submittal requirements for Final Charter School Apportionment for CSFP rehabilitation projects.
- To divide into two separate sections the specific instructions for Modernization additional grant requests, and Charter School Facilities Program Rehabilitation additional grant requests and excessive cost hardship requests.
- To divide into two separate sections the form data fields for Modernization additional grant requests, and Charter School Facilities Program Rehabilitation additional grant requests and excessive cost hardship requests.
- Following newly-inserted paragraphs and sections, to renumber existing paragraphs and sections in order to maintain the sequential numbering for purposes of this Form.
- To make non-substantive changes.

Need for the Form

Form Heading, all pages: It was necessary to update the revision date of this Form SAB 50-04 for the consistency of the SAB’s forms and regulations, and so that applicants to the School Facility Program can identify the latest version of the Form to file.

Page 1, General Information, second column, Section 7: It was necessary to number as “7” the unnumbered paragraph following section 6 to distinguish it from the subject matter of section 6. This is a non-substantive change to facilitate the reading and understanding of this Form.

Page 2, General Information, first column, new Section 8: It was necessary to add new section 8 to list the document submittal requirements for applications for Final Charter School Apportionment for CSFP rehabilitation projects. It was preferable to set forth these requirements separately from Modernization applications (described in preceding section 6) because there are some differences between the two types of projects. This new paragraph will save processing time by helping applicants to identify and submit complete supporting documents for this type of application. Each of the listed supporting documents is necessary to ensure that state school facility bond funds are approved only for projects that meet the applicable statutory and regulatory requirements.

Page 2, Specific Instructions, column 2, Section 1, last sentence (above section 2): It was necessary to make non-substantive changes by renumbering section numbers listed in the text to reflect the new sequential numbering in the Form caused by this regulatory action.

Page 3, Specific Instructions, column 1, Section 2a., new last sentence: It was necessary to add a sentence advising applicants for CSFP rehabilitation projects to not submit numbers of pupils for this section because that data is not needed for this section. This is a non-substantive clarification to facilitate completing the Form.

Page 3, Specific Instructions, column 1, Section 2g.: It was necessary to make a non-substantive text change to fully identify a category of applications as “Charter School Facilities Program Rehabilitation” rather than simply “rehabilitation.” Using the full terminology for this category of applications helps the reading and understanding of the Form.

Page 4, Specific Instructions, column 1, Section 6, 6a., 6c., and 6d.: It was necessary to delete from this section the references to applications for Charter School Facilities Program rehabilitation because the Specific Instructions for that category of applications are now stated in a new and separate Section 8. It will improve the reading and understanding of this Form to describe Modernization separately from Charter School Facilities Program Rehabilitation.

Page 4, Specific Instructions, column 1, Section 6b.: It was necessary to correct the use of a word from “efficiently” to “efficiency.”

Page 4, Specific Instructions, column 1, Section 7: It was necessary to delete one reference to applications for Charter School Facilities Program Rehabilitation because the Specific Instructions for that category of applications are now stated in a new and separate Section 8. It will improve the reading and understanding of this Form to describe Modernization separately from Charter School Facilities Program Rehabilitation.

Page 4, Specific Instructions, column 2, new Section 8: It was necessary in this new section to describe applications for Charter School Facilities Program Rehabilitation – Additional Grant and Excessive Cost Hardship Request, separate from Modernization Additional Grant Request in Section 6. Charter School Facilities Program Rehabilitation funding has some different characteristics from Modernization funding that justify describing it under its own section:

- Modernization Project Funding
 - 60 percent state share of project costs and a 40 percent local matching share
 - Based on per-pupil grant amounts
 - May qualify for additional or supplemental grants for specific circumstances
- Charter School Facilities Program Rehabilitation
 - 50 percent state share of project costs and 50 percent local matching share
 - Based on project square footage calculated under Regulation Section 1859.167.1
 - Some supplemental grants must be calculated differently from the Modernization calculation method

Therefore, new Section 8 sets forth the existing, available additional grants for Charter School Facilities Program Rehabilitation specifically for that category of applications.

Page 4, Specific Instructions, column 2, renumbered Sections 9 and 10: It was necessary to change the numbers of these sections to the next number in sequence because a new section was added to the Form ahead of them by this regulatory action. These are non-substantive changes that keep sequential numbering of the sections in the Form for improved reading and understanding.

Page 5, Specific Instructions, columns 1 and 2, renumbered Sections 11 through 24: It was necessary to change the numbers of these sections to the next number in sequence because a new section was added to the Form ahead of them by this regulatory action. These are non-substantive changes that keep sequential numbering of the sections in the Form for improved reading and understanding.

Page 5, Specific Instructions, column 1, renumbered Section 17, first sentence: It was necessary to delete this sentence as it is no longer applicable.

Page 6, Form Data Fields, column 2, Section 2g.: It was necessary to correct “Facility” to “Facilities” in the identification of a specific category of applications. This is a non-substantive correction to maintain the consistency of terminology throughout the SAB’s regulations.

Page 7, Form Data Fields, column 1, Section 6: It was necessary to delete the reference to Charter School Facilities Program Rehabilitation because data for that category of applications is entered in a new and separate Section 8. It will facilitate completion of the Form to enter data for Modernization separately from data for Charter School Facilities Program Rehabilitation.

Page 7, Form Data Fields, column 2, Section 7, heading “Modernization”: It was necessary to delete the reference to Charter School Facilities Program Rehabilitation because data for that category of applications is entered in a new and separate Section 8. It will facilitate completion of the Form to enter data for Modernization separately from data for Charter School Facilities Program Rehabilitation.

Page 7, Form Data Fields, column 2, Section 7, heading “Modernization:” A non-substantive change was made by relocating the data fields for “Small Size Project” and “Urban/Security/ Impacted site” to a higher position in the section. This is a more convenient order of processing for this category of application but makes no difference for funding or any other purpose.

Page 7, Form Data Fields, column 2, new Section 8: It was necessary in this new paragraph to describe applications for Charter School Facilities Program Rehabilitation Additional Grant and Excessive Cost Hardship Request, separate from Modernization Additional Grant Request in Section 6. Charter School Facilities Program Rehabilitation funding has some different characteristics from Modernization funding that justify describing it under its own section:

- Modernization Project Funding
 - 60 percent state share of project costs and a 40 percent local matching share
 - Based on per-pupil grant amounts
 - May qualify for additional or supplemental grants for specific circumstances
- Charter School Facilities Program Rehabilitation
 - 50 percent state share of project costs and 50 percent local matching share
 - Based on project square footage calculated under Regulation Section 1859.167.1
 - Some supplemental grants must be calculated differently from the Modernization calculation method

Therefore, new Section 8 sets forth data fields for the existing, available additional grants for Charter School Facilities Program Rehabilitation specifically for that category of applications.

Page 7, Form Data Fields, column 2, renumbered Sections 9 through 13: It was necessary to change the numbers of these sections to the next number in sequence because a new section was added to the Form ahead of them by this regulatory action. These are non-substantive changes that keep sequential numbering of the sections in the Form for improved reading and understanding.

Page 8, Form Data Fields, column 1, renumbered Sections 14 through 21: It was necessary to change the numbers of these sections to the next number in sequence because a new section was added to the Form ahead of them by this regulatory action. These are non-substantive

changes that keep sequential numbering of the sections in the Form for improved reading and understanding.

Page 8, Form Data Fields, column 2, renumbered Certification Section 22: It was necessary to change the number of this section to the next number in sequence because a new section was added to the Form ahead of it by this regulatory action. This is a non-substantive change that keeps sequential numbering of the sections in the Form for improved reading and understanding.

Page 8, Form Data Fields, column 2, renumbered Certification Section 22, fourth and fifth bullets: It was necessary to correct “Facility” to “Facilities” in the identification of a specific category of applications. This is a non-substantive correction to maintain the consistency of terminology throughout the SAB’s regulations.

Page 8, Form Data Fields, column 2, renumbered Certification Section 23: It was necessary to change the number of this section to the next number in sequence because a new section was added to the Form ahead of it by this regulatory action. This is a non-substantive change that keeps sequential numbering of the sections in the Form for improved reading and understanding.

Page 8, Form Data Fields, column 2, renumbered Certification Section 23, second bullet: It was necessary to correct “Facility” to “Facilities” in the identification of a specific category of applications. This is a non-substantive correction to maintain the consistency of terminology throughout the SAB’s regulations.

Page 9, Form Data Fields, columns 1 and 2, renumbered Certification Section 24: It was necessary to change the number of this section to the next number in sequence because a new section was added to the Form ahead of it by this regulatory action. This is a non-substantive change that keeps sequential numbering of the sections in the Form for improved reading and understanding.

Page 9, Form Data Fields, column 1, renumbered Certification Section 24, top of page, line 2: It was necessary to correct text references from “21 and 22” to “22 and 23” because these sections were renumbered by this regulatory action. This is a non-substantive correction to maintain the consistency of section references in the SAB’s regulations.

Page 9, Form Data Fields, column 1, renumbered Certification Section 24, eighth and eleventh bullets: It was necessary to correct “Facility” to “Facilities” in the identification of a specific category of applications. This is a non-substantive correction to maintain the consistency of terminology throughout the SAB’s regulations.

Application for Charter School Preliminary Apportionment, Form SAB 50-09 (Revised 12/1405/14).

Specific Purpose of the Form

To bring current the latest revision date for this Form. To make non-substantive changes to words and corrections to section numbers referenced in the text.

Need for the Form

Form Heading, all pages: It was necessary to update the revision date of this Form SAB 50-09 from “12/11” to “05/14” for the consistency of the SAB’s forms and regulations, and so that applicants for Charter School Preliminary Apportionments can identify the latest version of the Form to file.

Page 1, General Instructions, first column, first paragraph, lines 2 and 3: It was necessary to capitalize the first letters of the words “Charter School.” This is a non-substantive correction to maintain the consistency of terminology throughout the SAB’s regulations.

Page 1, General Instructions, first column, second paragraph, line 1: It was necessary to replace the words “charter school” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. This regulatory amendment allows both charter schools and school districts to apply for CSFP funding.

Page 1, General Instructions, first column, fourth paragraph, second bullet: It was necessary to capitalize the first letters of the words “Charter School.” This is a non-substantive correction to maintain the consistency of terminology throughout the SAB’s regulations.

Page 1, General Instructions, first column, fifth paragraph, first and second bullets: It was necessary to capitalize the first letters of the words “Charter School.” This is a non-substantive correction to maintain the consistency of terminology throughout the SAB’s regulations.

Page 1, General Instructions, second column, seventh paragraph, first bullet: It was necessary to capitalize the first letters of the words “Charter School.” This is a non-substantive correction to maintain the consistency of terminology throughout the SAB’s regulations.

Page 1, General Instructions, second column, eighth paragraph: It was necessary to replace the words “charter schools” with “applicants” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

Page 1, General Instructions, second column, tenth paragraph, line 1: It was necessary to capitalize the first letters of the words “Charter School.” This is a non-substantive correction to maintain the consistency of terminology throughout the SAB’s regulations.

Page 2, Specific Instructions, first column, first paragraph, line 2: It was necessary to capitalize the first letters of the words “Charter School.” This is a non-substantive correction to maintain the consistency of terminology throughout the SAB’s regulations.

Page 2, Specific Instructions, first column, Section 1: It was necessary to replace the words “Charter School” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

Page 2, Specific Instructions, first column, Section 2: It was necessary to capitalize the first letters of the words “Charter School.” This is a non-substantive correction to maintain the consistency of terminology throughout the SAB’s regulations.

Page 2, Specific Instructions, first column, Section 4a. and 4b.: It was necessary to capitalize the first letters of the words “Charter School.” This is a non-substantive correction to maintain the consistency of terminology throughout the SAB’s regulations.

Page 2, Specific Instructions, second column, Section 5, 5a, 5b.2, and 5c: It was necessary to replace the words “district” and “charter school” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

Page 2, Specific Instructions, second column, Section 7a: It was necessary to correct a text reference from Section “1859.163.1(a)(7)” to “1859.163.5(a)(4)” in order to refer to the applicable guidance for Charter School Facilities Program Rehabilitation only.

Page 2, Specific Instructions, second column, Section 7b: It was necessary to correct a text reference from Section “1859.163.1(a)(5)” to “1859.163.5(a)(2)” in order to refer to the applicable guidance for Charter School Facilities Program Rehabilitation only.

Page 2, Specific Instructions, second column, Section 7c: It was necessary to correct a text reference from Section “1859.163.1(a)(6)” to “1859.163.5(a)(3)” in order to refer to the applicable guidance for Charter School Facilities Program Rehabilitation only.

Page 3, Specific Instructions, first column, Section 11a, 11b, 11d, and 11e: It was necessary to capitalize the first letters of the words “Charter School.” This is a non-substantive correction to maintain the consistency of terminology throughout the SAB’s regulations.

Page 3, Specific Instructions, second column, the entire Section 12, includes Parts A and B: It was necessary to capitalize the first letters of the words “Charter School.” This is a non-substantive correction to maintain the consistency of terminology throughout the SAB’s regulations.

Page 4, Form Data Fields, introductory sentence: It was necessary to capitalize the first letters of the words “Charter School.” This is a non-substantive correction to maintain the consistency of terminology throughout the SAB’s regulations.

Page 4, Form data Fields, first column, Section 2b.: It was necessary to capitalize the first letters of the words “Charter School.” This is a non-substantive correction to maintain the consistency of terminology throughout the SAB’s regulations.

Page 5, Form data Fields, first column, Section 11a and 11b: It was necessary to capitalize the first letters of the words “Charter School.” This is a non-substantive correction to maintain the consistency of terminology throughout the SAB’s regulations.

Page 5, Certification, second column, Section 12, boxes 1 and 2, and bullets 1, 2, 3, and 4: It was necessary to capitalize the first letters of the words “Charter School.” This is a non-substantive correction to maintain the consistency of terminology throughout the SAB’s regulations.

Page 5, Certification, second column, Section 12, bullets 5, 6, 7, 9, 10, and 11: It was necessary to replace the words “charter school” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

Page 6, Certification, first column, Section 12, bullets 12, 14, 15, 18, 19, and 20: It was necessary to replace the words “charter school” and “district” with “applicant” in order to maintain consistency throughout the SAB’s regulations and with the Education Code. These regulatory amendments allow both charter schools and school districts to apply for CSFP funding.

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

The State Allocation Board’s School Facility Program Forms are maintained and readily accessible through our Web site. Therefore, it is not necessary to publish the Forms 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 Forms are made available upon request and through our Web site, and continue to be made available upon request and through our Web site.

Anticipated Benefits and Economic Impact of the Proposed Regulations

The proposed regulations promote fairness and assists in the State’s general welfare by aligning the supplemental grants for CSFP rehabilitation projects with Education Code requirements in order to ensure that the calculations for state and local contributions are correctly distributed for these types of projects. Without these proposed regulations, the funding structure of existing SFP regulations would continue to provide excess funding for the State’s contribution to CSFP rehabilitation projects, resulting in a gift of public funds which is not consistent with the Legislative and voter intent of the school bonds.

The proposed regulations are therefore determined to be consistent and compatible with existing State laws and regulations. Proceeding with the implementation of these proposed regulations will have a positive impact on the State’s general welfare while carrying out the Legislative and voter intent that the school bonds will be used for charter school purposes.

The proposed regulations will directly impact the State’s economy as well as the local economies because school bond apportionments affect local businesses, manufacturing, and construction industries such as architects, engineers, trades and municipalities, along with the potential creation of an unspecified number of jobs. This is in direct alignment with the Governor’s directive. Further, the proposed regulations provide a positive impact to the creation of jobs, the creation of new businesses, and the expansion of businesses in California. It is not anticipated that the proposed regulations will result in the elimination of existing businesses or jobs within California.

DOCUMENTS RELIED UPON AND STATEMENTS REGARDING THE RULEMAKING

Technical Documents Relied Upon

The SAB’s Action Item, dated May 28, 2014, entitled “Charter School Facilities Program Rehabilitation Supplemental Grants.”

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

Alternatives to the Proposed Regulatory Actions 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 Actions 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 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.