

## INITIAL STATEMENT OF REASONS

### SCHOOL FACILITY PROGRAM REGULATIONS

#### Section 1859.2. Definitions.

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

To provide the meaning of specific terms that are essential to these regulations. To revise the definitions of essential Forms by showing the latest revision date of each Form in the heading, and to make non-substantive changes by un-capitalizing a minor word.

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

“Form SAB 50-04”: It was necessary to bring current the latest revision date for this Form from “05/13” to “10/14” for the purpose of the continuity of the School Facility Program (SFP) Regulations and so that applicants can identify and file the most current State Allocation Board (SAB) Forms. A non-substantive revision was made by changing “For” to “for” in the title of the Form.

“Form SAB 50-05”: It was necessary to bring current the latest revision date for this Form from “01/13” to “10/14” for the purpose of the continuity of the SFP Regulations and so that applicants can identify and file the most current SAB Form.

“Form SAB 50-07”: It was necessary to bring current the latest revision date for this Form from “12/11” to “10/14” for the purpose of the continuity of the SFP Regulations and so that applicants can identify and file the most current SAB Form. A non-substantive revision was made by changing “For” to “for” in the title of the Form.

“Form SAB 50-08”: It was necessary to bring current the latest revision date for this Form from “12/11” to “10/14” for the purpose of the continuity of the SFP Regulations and so that applicants can identify and file the most current SAB Form. A non-substantive revision was made by changing “For” to “for” in the title of the Form.

“Form SAB 50-09”: It was necessary to bring current the latest revision date for this Form from “12/11” to “10/14” for the purpose of the continuity of the SFP Regulations and so that applicants can identify and file the most current SAB Form.

“Form SAB 50-10”: It was necessary to bring current the latest revision date for this Form from “04/12” to “10/14” for the purpose of the continuity of the SFP Regulations and so that applicants can identify and file the most current SAB Form.

Reference Sections: It was necessary to add the clause “in effect on January 1, 2012 through June 19, 2014” in order to end on June 19, 2014 the applicability of Labor Code (LC) Section 1771.3 to this Regulation Section. This is because Senate Bill (SB) 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

**Section 1859.71.4. New Construction Additional Grant Increase for Labor Compliance Program or Prevailing Wage Monitoring and Enforcement Costs.**

**Specific Purpose of the Regulation**

To limit the time period that LC Section 1771.3 applies to this Regulation Section, because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different Section 1771.3, effective on June 20, 2014. This new LC Section 1771.3 does not apply to this Regulation Section.

**Need for the Regulation**

Subsection (c): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014.” This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Subsection (d): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to:

- add the clause “in effect on January 1, 2012 through June 19, 2014,” and
- delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Subsection (f): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to add the clause “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Authority Citations: It was necessary to add the clause “in effect on January 1, 2012 through June 19, 2014” in order to end on June 19, 2014 the applicability of LC Section 1771.3 to this Regulation Section. This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

**Section 1859.78.1. Modernization Additional Grant Increase for Labor Compliance Program or Prevailing Wage Monitoring and Enforcement Costs.**

**Specific Purpose of the Regulation**

To limit the time period that LC Section 1771.3 applies to this Regulation Section, because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014. This new LC Section 1771.3 does not apply to this Regulation Section.

**Need for the Regulation**

Subsection (b): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014.” This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Subsection (c): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to:

- add the clause “in effect on January 1, 2012 through June 19, 2014,” and
- delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Subsection (e): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to add the clause “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Authority Citations: It was necessary to add the clause “in effect on January 1, 2012 through June 19, 2014” in order to end on June 19, 2014 the applicability of LC Section 1771.3 to this Regulation Section. This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

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

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

To limit the time period that LC Section 1771.3 applies to this Regulation Section, because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different Section 1771.3, effective on June 20, 2014. This new LC Section 1771.3 does not apply to this Regulation Section.

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

Prefatory paragraph: It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to add the clause “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Reference Sections: It was necessary to add the clause “in effect on January 1, 2012 through June 19, 2014” in order to end on June 19, 2014 the applicability of LC Section 1771.3 to this Regulation Section. This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

### **Section 1859.82. Facility Hardship.**

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

To limit the time period that LC Section 1771.3 applies to this Regulation Section, because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014. This new LC Section 1771.3 does not apply to this Regulation Section.

## **Need for the Regulation**

Subsection (a)(2), second unnumbered paragraph, line 14: It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014.” This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Subsection (a)(2), fourth unnumbered paragraph, lines 4 to 5: It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014.” This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Subsection (b), first unnumbered paragraph, lines 11 to 12: It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014.” This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Reference Sections: It was necessary to add the clause “in effect on January 1, 2012 through June 19, 2014” in order to end on June 19, 2014 the applicability of LC Section 1771.3 to this Regulation Section. This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

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

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

To limit the time period that LC Section 1771.3 applies to this Regulation Section, because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014. This new LC Section 1771.3 does not apply to this Regulation Section.

### **Need for the Regulation**

Subsection (e), line 16: It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014.” This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Reference Sections: It was necessary to add the clause “in effect on January 1, 2012 through June 19, 2014” in order to end on June 19, 2014 the applicability of LC Section 1771.3 to this Regulation Section. This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

**Section 1859.125. Joint-Use Project Grant Determination Based on Square Footage.**

**Specific Purpose of the Regulation**

To limit the time period that LC Section 1771.3 applies to this Section, because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014. This new LC Section 1771.3 does not apply to this Regulation Section.

**Need for the Regulation**

Unnumbered paragraph, lines 5 to 6: It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014.” This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Reference Sections: It was necessary to add the clause “in effect on January 1, 2012 through June 19, 2014” in order to end on June 19, 2014 the applicability of LC Section 1771.3 to this Regulation Section. This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

**Section 1859.125.1. Additional Type I Joint-Use Project Extra Cost Grant.**

**Specific Purpose of the Regulation**

To limit the time period that LC Section 1771.3 applies to this Section, because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014. This new LC Section 1771.3 does not apply to this Regulation Section.

**Need for the Regulation**

Unnumbered paragraph, lines 5 to 6: It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014.” This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Reference Sections: It was necessary to add the clause “in effect on January 1, 2012 through June 19, 2014” in order to end on June 19, 2014 the applicability of LC Section 1771.3 to this Regulation Section. This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

**Section 1859.145. Preliminary Apportionment Determination.**

**Specific Purpose of the Regulation**

To limit the time period that LC Section 1771.3 applies to this Regulation Section, because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014. This new LC Section 1771.3 does not apply to this Regulation Section.

## **Need for the Regulation**

Unnumbered paragraph, lines 4 to 5: It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014.” This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Reference Sections: It was necessary to add the clause “in effect on January 1, 2012 through June 19, 2014” in order to end on June 19, 2014 the applicability of LC Section 1771.3 to this Regulation Section. This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

### **Section 1859.163.1. Preliminary Charter School New Construction Apportionment Determination.**

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

To limit the time period that LC Section 1771.3 applies to this Section, because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014. This new LC Section 1771.3 does not apply to this Regulation Section.

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

Subsection (e): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to:

- add the clause “in effect on January 1, 2012 through June 19, 2014,” and
- delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Subsection (g): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to add the clause “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Reference Sections: It was necessary to add the clause “in effect on January 1, 2012 through June 19, 2014” in order to end on June 19, 2014 the applicability of LC Section 1771.3 to this Regulation Section. This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

### **Section 1859.163.5. Preliminary Charter School Rehabilitation Apportionment Determination.**

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

To limit the time period that LC Section 1771.3 applies to this Regulation Section, because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014. This new LC Section 1771.3 does not apply to this Regulation Section.

## **Need for the Regulation**

Subsection (c): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to:

- add the clause “in effect on January 1, 2012 through June 19, 2014,” and
- delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Subsection (e): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to add the clause “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Reference Sections: It was necessary to add the clause “in effect on January 1, 2012 through June 19, 2014” in order to end on June 19, 2014 the applicability of LC Section 1771.3 to this Regulation Section. This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

## **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 limit the time period that LC Section 1771.3 applies to this Regulation Section, because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014. This new LC Section 1771.3 does not apply to this Regulation Section.

## **Need for the Regulation**

Subsection (b), line 3: It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014.” This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Subsection (b)(2): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to:

- add the clause “in effect on January 1, 2012 through June 19, 2014,” and
- delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Subsection (b)(4), lines 2 to 3: It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to add the clause “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Authority Citations: It was necessary to add the clause “in effect on January 1, 2012 through June 19, 2014” in order to end on June 19, 2014 the applicability of LC Section 1771.3 to this Regulation Section. This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Reference Sections: It was necessary to add the clause “in effect on January 1, 2012 through June 19, 2014” in order to end on June 19, 2014 the applicability of LC Section 1771.3 to this Regulation Section. This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

### **Section 1859.193. Career Technical Education Facilities Grant Determination.**

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

To limit the time period that LC Section 1771.3 applies to this Regulation Section, because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014. This new LC Section 1771.3 does not apply to this Regulation Section.

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

Subsection (a)(1)(C): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014.” This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Subsection (a)(4): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to:

- add the clause “in effect on January 1, 2012 through June 19, 2014,” and
- delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Subsection (a)(6): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to add the clause “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Subsection (b)(1)(D): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014.” This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Subsection (b)(5): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to:

- add the clause “in effect on January 1, 2012 through June 19, 2014,” and
- delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Subsection (b)(7): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to add the clause “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Subsection (c)(5): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to:

- add the clause “in effect on January 1, 2012 through June 19, 2014,” and
- delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Subsection (c)(7): It was necessary, regarding the applicability of LC Section 1771.3 to this Regulation Section, to add the clause “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

Reference Sections: It was necessary to add the clause “in effect on January 1, 2012 through June 19, 2014” in order to end on June 19, 2014 the applicability of LC Section 1771.3 to this Regulation Section. This is because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different Section 1771.3, effective on June 20, 2014.

## **SCHOOL FACILITY PROGRAM FORMS**

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

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

To clarify the dates that LC Section 1771.3 pertains to this Form because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

To bring current the latest revision date for this Form from “05/13” to “10/14.”

#### **Need for the Form**

Form Heading, all pages: It was necessary to update the revision date of this Form SAB 50-04 from “05/13” to “10/14” 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 5, Specific Instructions, column 2, re-numbered section 18, first sentence: It was necessary to:

- delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014,” and
- clarify that LC Section 1771.3 pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

Additional non-substantive clarifying changes were:

- “contract” was changed to “contract(s)” because a construction project could involve more than one contract. This is a non-substantive grammatical change.
- References to “will be” are restated in the past or present tense because the application of previous LC Section 1771.3 to this Form ended on June 19, 2014 and will no longer apply thereafter.

Page 5, Specific Instructions, column 2, re-numbered section 18, first bullet item: It was necessary to change “Compliance Monitoring Unit (CMU)” to “Public Works administration and enforcement” to refer to a re-named Department of Industrial Relations (DIR) unit.

Page 5, Specific Instructions, column 2, re-numbered section 18, third bullet item: It was necessary to clarify that LC Section 1771.3(b)(3) pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

Page 8, Form Data Fields, column 1, re-numbered section 18, first sentence: It was necessary to:

- delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014,” and
- clarify that LC Section 1771.3 pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

In addition, references to “will be” are restated in the past or present tense because previous LC Section 1771.3 was statutorily repealed and applies to this section only through June 19, 2014. Correcting the tense of the sentence is a non-substantive change because June 19, 2014 has passed and no future application of the section will occur.

Page 8, Form Data Fields, column 1, re-numbered section 18, box 1: It was necessary to change “CMU Administered” to “Public Works administration and enforcement” to refer to a re-named Department of Industrial Relations (DIR) unit.

Page 8, Form Data Fields, column 1, re-numbered section 18, box 3: It was necessary to clarify that LC Section 1771.3(b)(3) pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

Page 10, Certifications, bullet item ending column 1 and continuing to top of column 2: It was necessary to:

- delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014,” and
- clarify that LC Sections 1771.3(a) and (b) pertaining to this Form were the versions “in effect on January 1, 2012 through June 19, 2014”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

In addition, references to “will contract” and “is” awarded are restated in the past or present tense because previous LC Section 1771.3 was statutorily repealed and applies to this certification only through June 19, 2014. Correcting the tense of the sentence is a non-substantive change because June 19, 2014 has passed and no future application of the section will occur.

### **Fund Release Authorization, Form SAB 50-05 (Revised 01/13/14).**

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

To clarify the dates that LC Section 1771.3 pertains to this Form because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

To bring current the latest revision date for this Form from “01/13” to “10/14.”

#### **Need for the Form**

Form Heading, all pages: It was necessary to update the revision date of this Form SAB 50-05 from “01/13” to “10/14” 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, column 1, section 4 deleted: It was necessary to delete section 4 of the Form because the SAB will no longer be providing a grant associated with this requirement, and the need to review such supporting documents therefore has ended.

Page 1, General Information, column 1, section 5 re-numbered to 4: It was necessary to re-number this section as “4” because the preceding numbered section was deleted. This is a non-substantive change to facilitate the continuity and understanding of this Form.

Page 3, Certifications, bullet item 9: It was necessary to clarify that LC Sections 1771.3(a) and (b) pertaining to this Form were the versions “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

Words are deleted that “the district will contract with the” DIR and replaced by text stating the DIR “has or will perform” the required Prevailing Wage Monitoring and Enforcement “for the project.” The revised description of the activity is more pertinent to school districts on and after the June 20, 2014 effective date of SB 854, Chapter 28, Statutes of 2014.

**Application for Joint-Use Funding, Form SAB 50-07 (Revised 12/11/14).**

**Specific Purpose of the Form**

To clarify the dates that LC Section 1771.3 pertains to this Form because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

To bring current the latest revision date for this Form from “12/11” to “10/14.”

**Need for the Form**

Form Heading, all pages: It was necessary to update the revision date of this Form SAB 50-07 from “12/11” to “10/14” 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 2, Specific Instructions, column 1, section 13, first sentence: It was necessary to:

- delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014,” and
- clarify that LC Section 1771.3 pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

In addition, references to “will be” are restated in the past or present tense because previous LC Section 1771.3 was statutorily repealed and applies to this Form only through June 19, 2014. Correcting the tense of the sentence is a non-substantive change because June 19, 2014 has passed and no future application of the section will occur.

Page 2, Specific Instructions, column 1, section 13, bullet item 1: It was necessary to change “Compliance Monitoring Unit (CMU)” to “Public Works administration and enforcement” to refer to a re-named Department of Industrial Relations (DIR) unit.

Page 2, Specific Instructions, column 1, section 13, bullet item 3: It was necessary to clarify that LC Section 1771.3(b)(3) pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

Page 3, Form Data Fields, column 2, section 13, first sentence: It was necessary to change “contract” to “contract(s)” because a construction project may involve more than one contract. This is a non-substantive grammatical change. It was necessary to:

- delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014,” and
- clarify that LC Section 1771.3 pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

In addition, references to “will be” are restated in the past or present tense because previous LC Section 1771.3 was statutorily repealed and applies to this section only through June 19, 2014. Correcting the tense of the sentence is a non-substantive change because June 19, 2014 has passed and no future application of the section will occur.

Page 3, Form Data Fields, column 2, section 13, box 1: It was necessary to change “CMU Administered” to “Public Works administration and enforcement” to refer to a re-named Department of Industrial Relations (DIR) unit.

Page 3, Form Data Fields, column 2, section 13, box 3: It was necessary to clarify that LC Section 1771.3(b)(3) pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014,” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

Page 4, Certifications, column 2, next-to-last bullet item: It was necessary to clarify that:

- LC Section 1771.3 pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014,” and
- “on or after January 1, 2012” is changed to “on January 1, 2012 through June 19, 2014,” and
- reference to “will contract” with the DIR is deleted, and
- reference to “is awarded” is restated in the past tense

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014. Correcting the tense of the sentence is a non-substantive change because June 19, 2014 has passed and no future application of the section will occur.

### **Application for Preliminary Apportionment, Form SAB 50-08 (Revised 12/11/14).**

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

To clarify the dates that LC Section 1771.3 pertains to this Form because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

To bring current the latest revision date for this Form from “12/11” to “10/14.”

#### **Need for the Form**

Form Heading, all pages: It was necessary to update the revision date of this Form SAB 50-08 from “12/11” to “10/14” 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 2, Specific Instructions, column 2, section 9, first sentence: It was necessary to clarify that LC Section 1771.3 pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

Page 2, Specific Instructions, column 2, section 9, bullet item 1: It was necessary to change “Compliance Monitoring Unit (CMU)” to “Public works administration and enforcement” to refer to a re-named Department of Industrial Relations (DIR) unit.

Page 2, Specific Instructions, column 2, section 9, bullet item 3: It was necessary to clarify that LC Section 1771.3(b)(3) pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

Page 3, Form Data Fields, column 2, section 9, first sentence: It was necessary to clarify that LC Section 1771.3 pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

In addition, reference to “will be” is restated in the past or present tense because previous LC Section 1771.3 was statutorily repealed and applies to this Form only through June 19, 2014. Correcting the tense of the sentence is a non-substantive change because June 19, 2014 has passed and no future application of the section will occur.

Page 3, Form Data Fields, column 2, section 9, box 1: It was necessary to change “CMU Administered” to “Public Works administration and enforcement” to refer to a re-named Department of Industrial Relations (DIR) unit.

Page 3, Form Data Fields, column 2, section 9, box 3: It was necessary to clarify that LC Section 1771.3(b)(3) pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

Page 4, Certifications, column 2, last bullet item: It was necessary to clarify that:

- “will contract” is changed to “has contracted” with the DIR because this text will not be applied after June 19, 2014, and
- LC Sections 1771.3(a) and (b) pertaining to this Form are the version “in effect on January 1, 2012 through June 19, 2014,” and
- “is awarded” is changed to “was awarded” because this text will not be applied to contract awards after June 19, 2014, and
- “on or after January 1, 2012” is changed to “on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014. Correcting the tense of the sentence is a non-substantive change because June 19, 2014 has passed and no future application of the section will occur.

**Application for Charter School Preliminary Apportionment, Form SAB 50-09 (Revised 12/11/14).**

**Specific Purpose of the Form**

To clarify the dates that LC Section 1771.3 pertains to this Form because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

To bring current the latest revision date for this Form from “12/11” to “10/14.”

## 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 “10/14” 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 3, Specific Instructions, column 1, section 9, first sentence: It was necessary to:

- delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014,” and
- clarify that LC Section 1771.3 pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

In addition, references to “will be” are restated in the past or present tense because previous LC Section 1771.3 was statutorily repealed and applies to this Form only through June 19, 2014. Correcting the tense of the sentence is a non-substantive change because June 19, 2014 has passed and no future application of the section will occur.

Page 3, Specific Instructions, column 1, section 9, bullet item 1: It was necessary to change “Compliance Monitoring Unit (CMU)” to “Public Works administration and enforcement” to refer to a re-named Department of Industrial Relations (DIR) unit.

Page 3, Specific Instructions, column 1, section 9, bullet item 3: It was necessary to clarify that LC Section 1771.3(b)(3) pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

Page 5, Form Data Fields, column 1, section 9, first sentence: It was necessary to:

- delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014,” and
- clarify that LC Section 1771.3 pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

In addition, references to “will be” are restated in the past or present tense because previous LC Section 1771.3 was statutorily repealed and applies to this Form only through June 19, 2014. Correcting the tense of the sentence is a non-substantive change because June 19, 2014 has passed and no future application of the section will occur.

Page 5, Form Data Fields, column 1, section 9, box 1: It was necessary to change “CMU Administered” to “Public Works administration and enforcement” to refer to a re-named Department of Industrial Relations (DIR) unit.

Page 5, Form Data Fields, column 1, section 9, box 3: It was necessary to clarify that LC Section 1771.3(b)(3) pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

Page 6, Certifications, column 1, next-to-last bullet item: It was necessary to clarify that:

- “will contract” is changed to “has contracted” with the DIR because this text will not be applied after June 19, 2014, and
- LC Sections 1771.3(a) and (b) pertaining to this Form are the version “in effect on January 1, 2012 through June 19, 2014,” and
- “is awarded” is changed to “was awarded” because this text will not be applied to contract awards after June 19, 2014, and
- “on or after January 1, 2012” is changed to “on January 1, 2012 through June 19, 2014”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014. Correcting the tense of the sentence is a non-substantive change because June 19, 2014 has passed and no future application of the section will occur.

**Application for Career Technical Education Facilities Funding, Form SAB 50-10 (Revised 04/12/10/14).**

**Specific Purpose of the Form**

To clarify the dates that LC Section 1771.3 pertains to this Form because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective on June 20, 2014.

To bring current the latest revision date for this Form from “04/12” to “10/14.”

**Need for the Form**

Form Heading, all pages: It was necessary to update the revision date of this Form SAB 50-10 from “04/12” to “10/14” 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 2, Specific Instructions, column 1, section 13, first sentence: It was necessary to:

- delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014,” and
- clarify that LC Section 1771.3 pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

Additional non-substantive clarifying changes were:

- “contract” was changed to “contract(s)” because a construction project could involve more than one contract. This is a non-substantive grammatical change.
- References to “will be” are restated in the past or present tense because the application of previous LC Section 1771.3 to this Form ended on June 19, 2014 and will no longer apply thereafter.

Page 2, Specific Instructions, column 1, section 13, bullet item 1: It was necessary to change “Compliance Monitoring Unit (CMU)” to “Public Works administration and enforcement” to refer to a re-named Department of Industrial Relations (DIR) unit.

Page 2, Specific Instructions, column 1, section 13, bullet item 3: It was necessary to clarify that LC Section 1771.3(b)(3) pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

Page 3, Form Data Fields, column 2, section 13, first sentence: It was necessary to:

- delete and add words in order to change “on or after January 1, 2012” to “on January 1, 2012 through June 19, 2014,” and
- clarify that LC Section 1771.3 pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014,”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

In addition, references to “will be” are restated in the past or present tense because previous LC Section 1771.3 was statutorily repealed and applies to this section only through June 19, 2014. Correcting the tense of the sentence is a non-substantive change because June 19, 2014 has passed and no future application of the section will occur.

Page 3, Form Data Fields, column 2, section 13, box 1: It was necessary to change “CMU Administered” to “Public Works administration and enforcement” to refer to a re-named Department of Industrial Relations (DIR) unit.

Page 3, Form Data Fields, column 2, section 13, box 3: It was necessary to clarify that LC Section 1771.3(b)(3) pertaining to this Form was the version “in effect on January 1, 2012 through June 19, 2014” because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014.

Page 4, Certifications, column 2, fourth bullet item: It was necessary to clarify that:

- “will contract” is changed to “has contracted” with the DIR because this text will not be applied after June 19, 2014, and
- LC Sections 1771.3(a) and (b) pertaining to this Form are the versions “in effect on January 1, 2012 through June 19, 2014,” and
- “is awarded” is changed to “was awarded” because this text will not be applied to contract awards after June 19, 2014, and
- “on or after January 1, 2012” is changed to “on January 1, 2012 through June 19, 2014”

because SB 854, Chapter 28, Statutes of 2014 repealed and enacted a different LC Section 1771.3, effective June 20, 2014. Correcting the tense of the sentence is a non-substantive change because June 19, 2014 has passed and no future application of the section will occur.

### **Anticipated Benefits and Economic Impact of the Proposed Regulations**

The proposed regulatory amendments benefit school districts by redirecting bond funds to fund school construction projects, including health and safety projects. These regulatory amendments benefit the State of California as they assist in increasing the State’s infrastructure investment resulting in a positive impact to the State’s economy and the potential of creating jobs. In addition, these regulations could have a positive impact to various business, manufacturing, and construction-related industries such as architecture, engineering, trades (carpenters, masons, electricians, roofers, etc.), and municipalities.

There is a positive economic impact to California business assigned to these regulatory amendments. With bond funds being redirected from DIR public works activities, these funds will be used as apportionments for school construction projects. Once the funds have been released, school districts can begin construction, which means they have entered into contracts and work can begin. These regulations affect various business, manufacturing, and construction-related industries such as architecture, engineering, trades and municipalities, and have the potential to create an unspecified number of jobs.

The proposed regulatory amendments are therefore determined to be consistent and compatible with existing State laws and regulations. Proceeding with the implementation of these regulatory amendments could have a positive impact on the State's economy and the creation of jobs.

## **DOCUMENTS RELIED UPON AND STATEMENTS REGARDING THE RULEMAKING**

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

The SAB's Action Item, dated October 16, 2014, entitled "Implementation of Senate Bill 854 Proposed Regulations."

### **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 will not have a negative impact on small businesses.

### **Finding of Significant Adverse Economic Impact on Businesses**

The SAB has determined that the adoption of the regulations will not negatively affect businesses/small businesses because they are not required to directly comply with or enforce the regulations, nor will they be disadvantaged by the regulations. In fact, the demand on the manufacturing and construction-related industries could potentially stimulate the creation of businesses/small businesses in these areas.

### **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.

**ECONOMIC IMPACT ASSESSMENT OF REGULATIONS**  
***“Implementation of Senate Bill 854 Proposed Regulations”***

**Proposed State Allocation Board Regulations**

The State Allocation Board (SAB), at its October 16, 2014 meeting, adopted regulatory amendments to the School Facility Program (SFP) Regulations that would align the SFP regulations with changes in Labor Code requirements relating to prevailing wage monitoring requirements and public works projects that have awarded contracts on or after June 20, 2014.

**Background and Problem Being Resolved**

The proposed regulatory amendments remove the additional prevailing wage monitoring grant for projects with a public works contract awarded on or after June 20, 2014. The law repealed provisions in Labor Code Section 1771.3, which required school districts to provide payment to the Department of Industrial Relations (DIR) for prevailing wage monitoring. As a result, school districts awarding a construction contract on or after June 20, 2014 are not mandated to provide payment for DIR monitoring and enforcement of prevailing wage requirements.

The law created a new public works contractor registration system that funds all of the DIR’s public works activities and repealed the requirement for school districts to pay DIR for monitoring on a bond-funded public works project. Contractors and subcontractors must register with DIR and pay registration fees in order to be listed in a bid proposal or engage in the performance of any public works project. These fees will be used to cover the cost of DIR monitoring and enforcement of prevailing wage requirements. Therefore, any public works project awarded on or after June 20, 2014 will not receive the prevailing wage monitoring additional grant.

**Description of Regulations to Implement Law**

The Leroy F. Greene School Facilities Act of 1998 established, through Senate Bill 50, Chapter 407, Statutes of 1998, the SFP. The SFP provides a per-pupil grant amount to qualifying school districts for purposes of constructing school facilities and modernizing existing school facilities. The SAB adopted regulations to implement the Leroy F. Greene School Facilities Act of 1998, which were approved by the Office of Administrative Law and filed with the Secretary of State on October 8, 1999.

The proposed regulatory amendments help carry out the Legislative intent of Senate Bill 854, Chapter 28, Statutes of 2014, and are summarized as follows:

Existing Regulation Section 1859.2 represents a set of defined words and terms used exclusively for these regulations. The proposed regulatory amendments update the revision dates of the Forms SAB 50-04, SAB 50-05, SAB 50-07, SAB 50-08, SAB 50-09, SAB 50-10, and make a minor non-substantive change in a Form name.

Existing Regulation Section 1859.71.4 implements provisions for increased SFP funding for a Labor Compliance Program (LCP) by setting forth a sliding scale and calculation for new construction projects that determines the per-pupil grant increase for initiating and enforcing an LCP. The proposed regulatory amendments limit the time period that Labor Code Section 1771.3 applies to this Regulation Section because the law repealed and

enacted a different Labor Code Section 1771.3, effective June 20, 2014. The new Labor Code Section 1771.3 does not apply to this Regulation Section.

Existing Regulation Section 1859.78.1 implements provisions for increased SFP funding for an LCP by setting forth a sliding scale and calculation for modernization projects that determines the per-pupil grant increase for the initiation, enforcement, and monitoring of an LCP. The proposed regulatory amendments limit the time period that Labor Code Section 1771.3 applies to this Regulation Section because the law repealed and enacted a different Labor Code Section 1771.3, effective June 20, 2014. The new Labor Code Section 1771.3 does not apply to this Regulation Section.

Existing Regulation Section 1859.79.2 specifies the permissible and impermissible uses of Modernization Grant funds, including the permissible use of modernization funds for the costs incurred by a school district for the initiation and enforcement of an LCP. The proposed regulatory amendments limit the time period that Labor Code Section 1771.3 applies to this Regulation Section because the law repealed and enacted a different Labor Code Section 1771.3, effective June 20, 2014. The new Labor Code Section 1771.3 does not apply to this Regulation Section.

Existing Regulation Section 1859.82 establishes the criteria a district must meet to be eligible for facility hardship funding to replace or construct new classrooms and related facilities if the district demonstrates there is an unmet need for pupil housing or the condition of the facilities, or the lack of facilities, is a threat to the health and safety of the pupils. This Section also provides the authority and funding for the existing grant increase for LCP for construction contracts awarded prior to January 1, 2012, and implements the statutorily authorized additional grant for DIR prevailing wage monitoring and enforcement, equaling 50 percent of one-fourth of one percent of the Total Projected Bond Apportionment for qualifying projects with construction contracts awarded on or after January 1, 2012. The proposed regulatory amendments limit the time period that Labor Code Section 1771.3 applies to this Regulation Section because the law repealed and enacted a different Labor Code Section 1771.3, effective June 20, 2014. The new Labor Code Section 1771.3 does not apply to this Regulation Section.

Existing Regulation Section 1859.83 sets forth district eligibility criteria for excessive cost hardship grant funding as a result of specified unusual circumstances that create excessive project costs beyond the control of the district. This Section also provides the authority and funding for the existing grant increase for LCP for construction contracts awarded prior to January 1, 2012, and implements the statutorily authorized additional grant for DIR prevailing wage monitoring and enforcement, equaling 50 percent of one-fourth of one percent of the Total Projected Bond Apportionment for qualifying projects with construction contracts awarded on or after January 1, 2012. The proposed regulatory amendments limit the time period that Labor Code Section 1771.3 applies to this Regulation Section because the law repealed and enacted a different Labor Code Section 1771.3, effective June 20, 2014. The new Labor Code Section 1771.3 does not apply to this Regulation Section.

Existing Regulation Section 1859.125 sets forth the criteria for Joint-Use project grant determinations based upon square footage. This Section also provides the authority and funding for the existing grant increase for LCP for construction contracts awarded prior to January 1, 2012, and for qualifying projects with construction contracts awarded on or after January 1, 2012, the grant may be adjusted in the manner prescribed in Section

1859.71.4(c) and subject to the limitations in Section 1859.71.4(d). The proposed regulatory amendments limit the time period that Labor Code Section 1771.3 applies to this Regulation Section because the law repealed and enacted a different Labor Code Section 1771.3, effective June 20, 2014. The new Labor Code Section 1771.3 does not apply to this Regulation Section.

Existing Regulation Section 1859.125.1 sets forth the criteria for additional Type I Joint-Use project "Extra Cost" grant funding in addition to the square footage Joint-Use Grant provided in Section 1859.125. This Section also provides the authority and funding for the existing grant increase for LCP for construction contracts awarded prior to January 1, 2012, and for qualifying projects with construction contracts awarded on or after January 1, 2012, the grant may be adjusted in the manner prescribed in Section 1859.71.4(c) and subject to the limitations in Section 1859.71.4(d). The proposed regulatory amendments limit the time period that Labor Code Section 1771.3 applies to this Regulation Section because the law repealed and enacted a different Labor Code Section 1771.3, effective June 20, 2014. The new Labor Code Section 1771.3 does not apply to this Regulation Section.

Existing Regulation Section 1859.145 sets forth the criteria under the Critically Overcrowded Schools Program to determine preliminary apportionments. This Section also provides the authority and funding for the existing grant increase for LCP for construction contracts awarded prior to January 1, 2012, and for qualifying projects with construction contracts awarded on or after January 1, 2012, the grant may be adjusted in the manner prescribed in Section 1859.71.4(c) and subject to the limitations in Section 1859.71.4(d). The proposed regulatory amendments limit the time period that Labor Code Section 1771.3 applies to this Regulation Section because the law repealed and enacted a different Labor Code Section 1771.3, effective June 20, 2014. The new Labor Code Section 1771.3 does not apply to this Regulation Section.

Existing Regulation Section 1859.163.1 sets forth the criteria for eligible construction and site acquisition costs for preliminary charter school new construction apportionment determinations, including a cost factor for the amount to initiate and enforce an LCP if required by the Labor Code. This Section also sets forth provisions that any public works projects paid from State bonds and for which the construction contract is awarded on or after January 1, 2012 is subject to DIR monitoring and enforcement of compliance with applicable prevailing wage requirements, pursuant to Labor Code Section 1771.3. The proposed regulatory amendments limit the time period that Labor Code Section 1771.3 applies to this Regulation Section because the law repealed and enacted a different Labor Code Section 1771.3. The new Labor Code Section 1771.3 does not apply to this Regulation Section.

Existing Regulation Section 1859.163.5 sets forth the criteria for preliminary charter school rehabilitation apportionment determinations, including a cost factor for the amount to initiate and enforce an LCP if required by the Labor Code. This Section also sets forth provisions that any public works projects paid from State bonds and for which the construction contract is awarded on or after January 1, 2012 is subject to DIR monitoring and enforcement of compliance with applicable prevailing wage requirements, pursuant to Labor Code Section 1771.3. The proposed regulatory amendments limit the time period that Labor Code Section 1771.3 applies to this Regulation Section because the law repealed and enacted a different Labor Code

Section 1771.3. The new Labor Code Section 1771.3 does not apply to this Regulation Section.

Existing Section 1859.167.2 describes the components and calculation of the additional grant for LCP costs or for the costs of prevailing wage monitoring and enforcement. This Section simplifies the alignment of regulations with statute. The proposed regulatory amendments limit the time period that Labor Code Section 1771.3 applies to this Regulation Section because the law repealed and enacted a different Labor Code Section 1771.3. The new Labor Code Section 1771.3 does not apply to this Regulation Section.

Existing Regulation Section 1859.193 sets forth the criteria under the Career Technical Education Facilities Program (CTEFP) to determine grants to local educational agencies for constructing qualifying new facilities, or modernizing or reconfiguring existing school buildings. This Section also provides that CTEFP projects may qualify for the additional grant for prevailing wage monitoring and enforcement costs as prescribed in Section 1859.71.4(c), for public works projects awarded on or after January 1, 2012. The proposed regulatory amendments limit the time period Labor Code Section 1771.3 applies to this Regulation Section because the law repealed and enacted a different Labor Code Section 1771.3. The new Labor Code Section 1771.3 does not apply to this Regulation Section.

Existing Form SAB 50-04, *Application for Funding*, is submitted by school districts to apply for state funding for new construction or modernization projects. The proposed regulatory amendments: 1) change the revision date of this Form; and 2) clarify the dates the Labor Code Section 1771.3 pertains to this Form because the law repealed and enacted a different Labor Code Section 1771.3, effective June 20, 2014.

Existing Form SAB 50-05, *Fund Release Authorization*, is the Form submitted by school districts and charter schools requesting the State to release their approved funding, provided the project is at least 50 percent under contract and the school district has met other specific criteria. The proposed regulatory amendments: 1) change the revision date of this Form; 2) delete the need to review the supporting documentation since the SAB no longer provides the grant associated with the requirement; and 3) clarify the dates the Labor Code Section 1771.3 pertains to this Form because the law repealed and enacted a different Labor Code Section 1771.3, effective June 20, 2014.

Existing Form SAB 50-07, *Application for Joint-Use Funding*, is used by school districts to request funding for Joint-Use projects (Types I and II). The proposed regulatory amendments: 1) change the revision date of this Form; and 2) clarify the dates that Labor Code Section 1771.3 pertains to this Form because the law repealed and enacted a different Labor Code Section 1771.3, effective June 20, 2014.

Existing Form SAB 50-08, *Application for Preliminary Apportionment*, is used by school districts to file for a preliminary apportionment under the Critically Overcrowded Schools Program once the SAB has determined or adjusted the school district's eligibility for new construction funding. The proposed regulatory amendments: 1) change the revision date of this Form; and 2) clarify the dates that Labor Code Section 1771.3 pertains to this Form because the law repealed and enacted a different Labor Code Section 1771.3, effective June 20, 2014.

Existing Form SAB 50-09, *Application for Charter School Preliminary Apportionment*, is used by school districts and charter schools for purposes of requesting a preliminary apportionment for new construction of charter school facilities. The proposed regulatory amendments: 1) change the revision date of this Form; and 2) clarify the dates that Labor Code Section 1771.3 pertains to this Form because the law repealed and enacted a different Labor Code Section 1771.3, effective June 20, 2014.

Existing Form SAB 50-10, *Application for Career Technical Education Facilities Funding*, is the form submitted by school districts or joint powers authorities to request a Career Technical Education Facilities Program grant. The proposed regulatory amendments: 1) change the revision date of this Form; and 2) clarify the dates that Labor Code Section 1771.3 pertains to this Form because the law repealed and enacted a different Labor Code Section 1771.3, effective June 20, 2014.

### *Anticipated Benefits of the Proposed Regulations*

The proposed regulatory amendments benefit school districts by redirecting bond funds to fund school construction projects, which include health and safety projects. These regulatory amendments benefit the State of California as they assist in increasing the State's infrastructure investment resulting in a positive impact to the State's economy and the potential of creating jobs. In addition, these regulations will have a positive impact to various business, manufacturing, and construction-related industries such as architecture, engineering, trades (carpenters, masons, electricians, roofers, etc.), and municipalities.

The proposed regulatory amendments are therefore determined to be consistent and compatible with existing State laws and regulations. Proceeding with the implementation of these regulatory amendments will have a positive impact on public health and safety, the State's economy, and the creation of jobs.

### *Statutory Authority and Implementation*

Education Code Section 17070.35. (a) In addition to all other powers and duties as are granted to the board by this chapter, other statutes, or the California Constitution, the board shall do all of the following: (1) Adopt rules and regulations, pursuant to the rulemaking provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, for the administration of this chapter.

Government Code Section 15503. Whenever the board is required to make allocations or apportionments under this part, it shall prescribe rules and regulations for the administration of, and not inconsistent with, the act making the appropriation of funds to be allocated or apportioned. The board shall require the procedure, forms, and the submission of any information it may deem necessary or appropriate. Unless otherwise provided in the appropriation act, the board may require that applications for allocations or apportionments be submitted to it for approval.

### **Impact to California Businesses and Jobs**

There is a positive economic impact to California business assigned to these regulatory amendments. With bond funds being redirected from DIR public works activities, these funds will be used as apportionments for school construction projects. Once the funds have been released, school districts can begin construction, which means they have entered into contracts and work can begin. These regulations affect various business, manufacturing, and

construction-related industries such as architecture, engineering, trades and municipalities, and have the potential to create an unspecified number of jobs.

Therefore, the proposed regulations will have a positive impact on 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.

*Benefits to Public Health and Welfare, Worker's Safety, and the State's Environment*

- There is a health and safety impact assigned to this regulatory amendment. Health and safety projects are considered priority projects by the SAB. This means that when bond funds have been redirected and are available, these projects are first in line to receive the funding.
- Public health and safety is enhanced through these proposed regulations because a properly paid and trained work force will build school construction projects that are structurally code-compliant and safer for use by pupils, staff, and other occupants on school sites.
- These regulations will have a positive impact to various business, manufacturing, and construction-related industries such as architecture, engineering, trades (carpenters, masons, electricians, roofers, etc.), and municipalities, and have the potential to create an unspecified number of jobs.
- There are continued benefits to the health and welfare of California residents and worker safety. Although these proposed regulations do not directly impact worker's safety, existing law provides for the availability of a skilled labor force and encourages improved health and safety of construction and trades employees through proper apprenticeship and training.
- There is no impact to the State's environment from the proposed regulations.