

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, April 25, 2007

OVERCROWDING RELIEF GRANT

PURPOSE OF REPORT

To provide further clarification of the Overcrowding Relief Grant (ORG) Report which was presented at the March 2007 State Allocation Board meeting (SAB).

BACKGROUND

The proposed regulations to implement the new ORG were presented to and adopted by the SAB at its February 2007 meeting. At that meeting, Staff read into the minutes that ORG projects could be combined with School Facility Program (SFP) projects to replace single-story facilities with multi-story facilities. Further clarification was requested by interested parties. As a result, the SAB requested the Office of Public School Construction to work with those parties on this issue and to report back to the SAB on the outcome. This occurred as requested and the subsequent report was presented to the March 2007 SAB meeting to provide an update on the ability of school districts to combine ORG projects with SFP projects to replace single-story facilities with multi-story facilities. Interested parties requested further clarification. This SAB report supplements the March 2007 SAB report.

DISCUSSION

The combination of ORG and other grants to replace single-story facilities with multi-story facilities pursuant to Regulation Section 1859.73.2 is allowable provided the district meets the requirements of Section 1859.73.2, and the single story facilities to be replaced do not garner duplicate funding under both the ORG and other SFP programs (i.e., new construction and modernization) which provide funds for portable replacement. To obtain grants for an ORG project to replace single-story facilities with multi-story facilities pursuant to Regulation Section 1859.73.2, a district must still demonstrate pursuant to that section that it is more cost beneficial to tear down a single-story building and replace it with a multi-story building (with ORG replacement classrooms being treated as the increased capacity classrooms) than to build the ORG project on a new site. The project could be located on the ORG eligible site or another existing school site, as long as the new configuration is approved by the California Department of Education. The existing SFP regulations and proposed regulations for ORG projects do not need to be amended as they permit the combination as described above.

We agree with the interested parties that the "Further Considerations" section of the March 2007 report was not intended to modify the statement concerning the outcome of our discussion. Rather, that section was intended to identify potential issues for possible future legislative action.

RECOMMENDATION

Accept the report.

This Item was approved by the State Allocation Board on April 25, 2007.