

REPORT OF THE EXECUTIVE OFFICER  
State Allocation Board Meeting, January 30, 2008

TRANSFER OF FUNDS WITHIN THE CHARTER SCHOOL FACILITIES ACCOUNT

PURPOSE OF REPORT

To request that the Board authorize the transfer of funds within the Charter School Facilities Account.

DESCRIPTION

At the April 2007 State Allocation Board meeting, the Board approved regulation changes to the Charter School Facilities Program that enabled applicants who received a preliminary apportionment under Proposition 55 to access additional funds for the project at the time of conversion to a final apportionment. The funds available for these purposes come from other preliminary apportionments that have been rescinded and from the funds set aside in the Hazardous Material/Waste Removal Fund and the Department of Toxic Substances Control (DTSC)/Relocation Fund. The mechanism to distribute the funds is through the use of newly created Conversion Increase Funds.

The revised regulations including these changes became effective on October 3, 2007. As the regulations are now effective, the Board may authorize Staff to transfer the funds as outlined in the regulations.

AUTHORITY

Education Code (EC) Section 17070.35(a)(2) authorizes the Board to adopt rules and regulations in connection with the administration of the Leroy F. Greene School Facilities Act of 1998 as it determines it is necessary.

EC Sections 17078.52 through 17078.66 established the Charter School Facilities Program.

Regulation Section 1859.167.2(b)(1) establishes the 2002 Conversion Increase Fund and allows the one time transfer of \$16,634,364 from the 2002 Unrestricted Charter School Fund to the 2002 Conversion Increase Fund.

Regulation Section 1859.167.2(c)(1) establishes the 2004 Conversion Increase Fund and allows the transfer of the amounts initially reserved for DTSC/Relocation and Hazardous Material/Waste Removal to be placed in the 2004 Conversion Increase Fund.

Regulation Section 1859.167(c)(2) requires any rescinded funds after April 25, 2007 to be first used to replenish the DTSC/Relocation and Hazardous Material/Waste Removal funds.

STAFF COMMENTS

The transfer of funds is necessary in order to provide accurate funding for a Charter School Preliminary Apportionment that is included on this agenda for conversion to a final apportionment, as well as for future conversions to a final apportionment.

RECOMMENDATIONS

1. Authorize the establishment of a Conversion Increase Fund in both the 2002 and 2004 Charter School Facilities Accounts.
2. Authorize the transfer of \$16,634,364 from the Unrestricted Charter School Fund in the 2002 Charter School Facilities Account to the Conversion Increase Fund in the 2002 Charter School Facilities Account.

(Continued on Page Two)

RECOMMENDATIONS (cont.)

3. Authorize the transfer of \$14,024,042 from the Unrestricted Charter School Fund in the 2004 Charter School Facilities Account to the Conversion Increase Fund in the 2004 Charter School Facilities Account.
4. Authorize the transfer of \$2,571,377 from the Hazardous Material/Waste Removal Fund in the 2004 Charter School Facilities Account to the Conversion Increase Fund in the 2004 Charter School Facilities Account.
5. Authorize the transfer of \$13,117,860 from the DTSC/Relocation Fund in the 2004 Charter School Facilities Account to the Conversion Increase Fund in the 2004 Charter School Facilities Account.
6. Authorize the transfer of \$2,571,377 from the Unrestricted Charter School Fund in the 2004 Charter School Facilities Account to the Hazardous Material/Waste Removal Fund in the 2004 Charter School Facilities Account.
7. Authorize the transfer of \$13,117,860 from the Unrestricted Charter School Fund in the 2004 Charter School Facilities Account to the DTSC/Relocation Fund in the 2004 Charter School Facilities Account.

This Item was approved by the State Allocation Board on January 30, 2008.