

EXECUTIVE OFFICER STATEMENT
State Allocation Board Meeting, February 27, 2008

ATTORNEY GENERAL'S OPINION ON SITE SALE PROCEEDS

At the April 2007 State Allocation Board (SAB) meeting, the Board requested that the Attorney General (AG) provide an informal opinion regarding whether, under Regulation Section 1700, funds used to address the fiscal insolvency of a district's health and/or retirement program would be considered a one-time expenditure or an ongoing expenditure. The AG's opinion indicates that Regulation Section 1700 prohibits the use of site sale proceeds to fund the district's insolvent health or retirement program. However, the AG's opinion stipulates that, upon appropriate amendments to current regulations, the SAB may allow a school district to use site sale proceeds to fund the district's insolvent health or retirement program provided it is a one time expense pursuant to Education Code Section 17462.

Based on the AG's opinion, Staff will be presenting proposed regulatory amendments to the March Implementation meeting for discussion, and it is anticipated that regulatory amendments will be presented to the Board at the March SAB meeting.

GRANT ADEQUACY REPORT UPDATE

At the January 2008 SAB meeting, the Board requested that Staff put together a working group to discuss the Grant Adequacy Report that was presented by the Macias Consulting Group. Invitations to participate in the group have been sent to various experts that may provide insight into the report and its findings. The working group will hold its first meeting, hosted by the LAO, tomorrow morning.

CHARTER SCHOOL AND HIGH PERFORMANCE INCENTIVE UPDATE

Two Charter school projects in Los Angeles, the Oscar De La Hoya Charter High and the Amino Venice Charter High, are converting to final apportionments. Additionally, the Amino Venice Charter High project is receiving the first allocation of High Performance Incentive Grants, in the amount of \$107,000.

EMERGENCY REPAIR PROGRAM FUND TRANSFER

ABX3 4, chaptered February 16, 2008, made a variety of education-related changes to the 2007-2008 Budget Act, including the re-appropriation of \$100 million to the Emergency Repair Program account. In addition, it removed a provision that would allow for additional funds to be appropriated by the Director of the Department of Finance should the Emergency Repair Program account have insufficient funds to cover approved grants. We expect the funds to take 30-60 days to be transferred and be available for apportionment to districts.