

STATE ALLOCATION BOARD
NEW CONSTRUCTION SUBCOMMITTEE
November 7, 2011

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OVERVIEW

PURPOSE

To present data relating to School Facility Program (SFP) bond authority.

DESCRIPTION

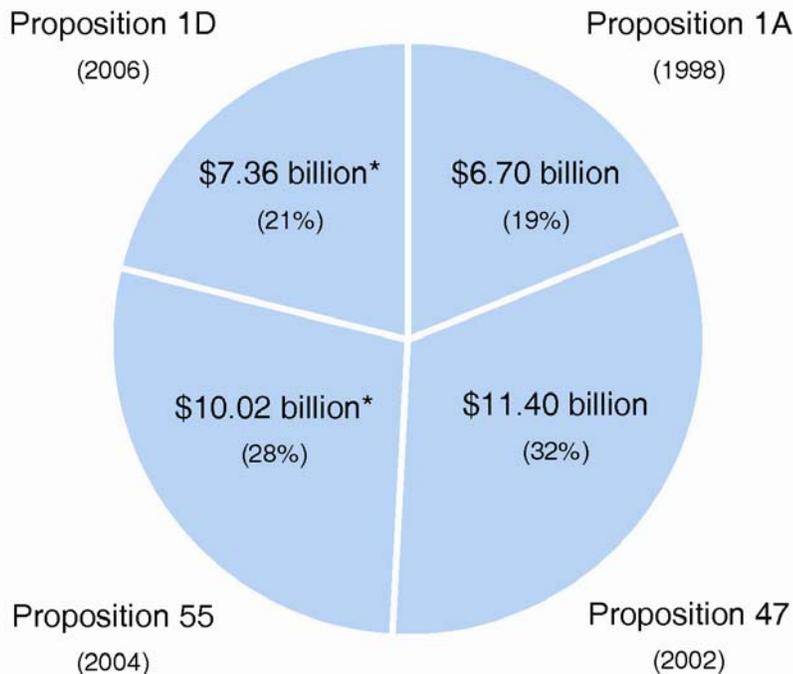
The purpose of this meeting is to present data relating to remaining SFP bond authority. This information is intended to promote discussion on how to proceed with the program in the future. This item will present general information on the basic concepts of the program and fiscal statistics concerning the program's history.

BACKGROUND

At the September 2011 State Allocation Board (Board) meeting, the members created a subcommittee to consider the future of the SFP. In particular, the members wished to take a look at where we stand with new construction dollars between now and the next potential school facilities bond that could be placed on the ballot.

The majority of available SFP funding has been allocated to school districts across the state. As a result, available funds from the four voter approved school facility bond measures that have been approved since the inception of the SFP are close to depletion.

Voter Approved General Obligation Bonds for School Facilities Total Approved: \$35.48 billion



*Approximate

Each approved bond provides authority to allocate funding to school facility projects through various programs. Each bond allocates authority specifically to programs, such as new construction, modernization, Charter Schools, Career Technical Education Facilities and programs to relieve overcrowding.

Given the recent fiscal crisis and scarce remaining bond authority the Board has taken steps to determine the best possible ways to extend the life of many vital school facility programs. For example, unused funding in the Critically Overcrowded Schools (COS) program was transferred to the new construction program, as allowed by statute. Furthermore, the Board's Priorities in School Construction Funding Cash Management subcommittee (Committee) met multiple times in 2011 to discuss priority funding and other topics concerning remaining bond authority.

Education Facilities Bond Breakdown

Program	Bond 1998 \$9,200,000,000	Bond 2002 \$13,050,000,000	Bond 2004 \$12,300,000,000	Bond 2006 \$10,416,000,000	Transfer
New Construction	\$2,900,000,000	\$ 3,350,000,000 ¹	\$4,960,000,000	\$1,900,000,000 ^{4,5}	2/3 Legislative vote
Modernization	2,100,000,000	1,400,000,000 ²	2,250,000,000	3,300,000,000 ⁴	2/3 Legislative vote
Charter Schools	-	100,000,000	300,000,000	500,000,000	2/3 Legislative vote
Career Technical Ed.	-	-	-	500,000,000	2/3 Legislative vote
Overcrowding Relief	-	-	-	1,000,000,000	2/3 Legislative vote
High Performance	-	-	-	100,000,000	2/3 Legislative vote
New Construction Backlog	-	2,900,000,000	-	-	2/3 Legislative vote
Modernization Backlog	-	1,900,000,000	-	-	2/3 Legislative vote
Critically Overcrowded Schools	-	1,700,000,000	2,440,000,000	-	SAB Action
Joint Use	-	50,000,000	5,000,000	29,000,000	2/3 Legislative vote
Hardship	1,000,000,000	-	-	-	SAB Action
Class Size Reduction	700,000,000	-	-	-	SAB Action
Total K - 12	\$6,700,000,000	\$11,400,000,000	\$ 10,000,000,000 ³	\$7,329,000,000	

1 - \$14.2 million – energy efficiency.

2 - \$5.8 million – energy efficiency.

3 - \$20 million total – energy efficiency set aside for new construction and modernization.

4 - No more than \$200,000,000 of the sum of the appropriations for new construction and modernization shall be used to fund the smaller learning communities and small high schools.

5 - Up to 10½ percent (\$199.5 million) shall be available for purposes of seismic repair, construction, or replacement, pursuant to Education Code Section 17075.10

ITEM FORMAT

This item has been divided by topic. Behind each tab is a discussion item for each topic.

BOND AUTHORITY

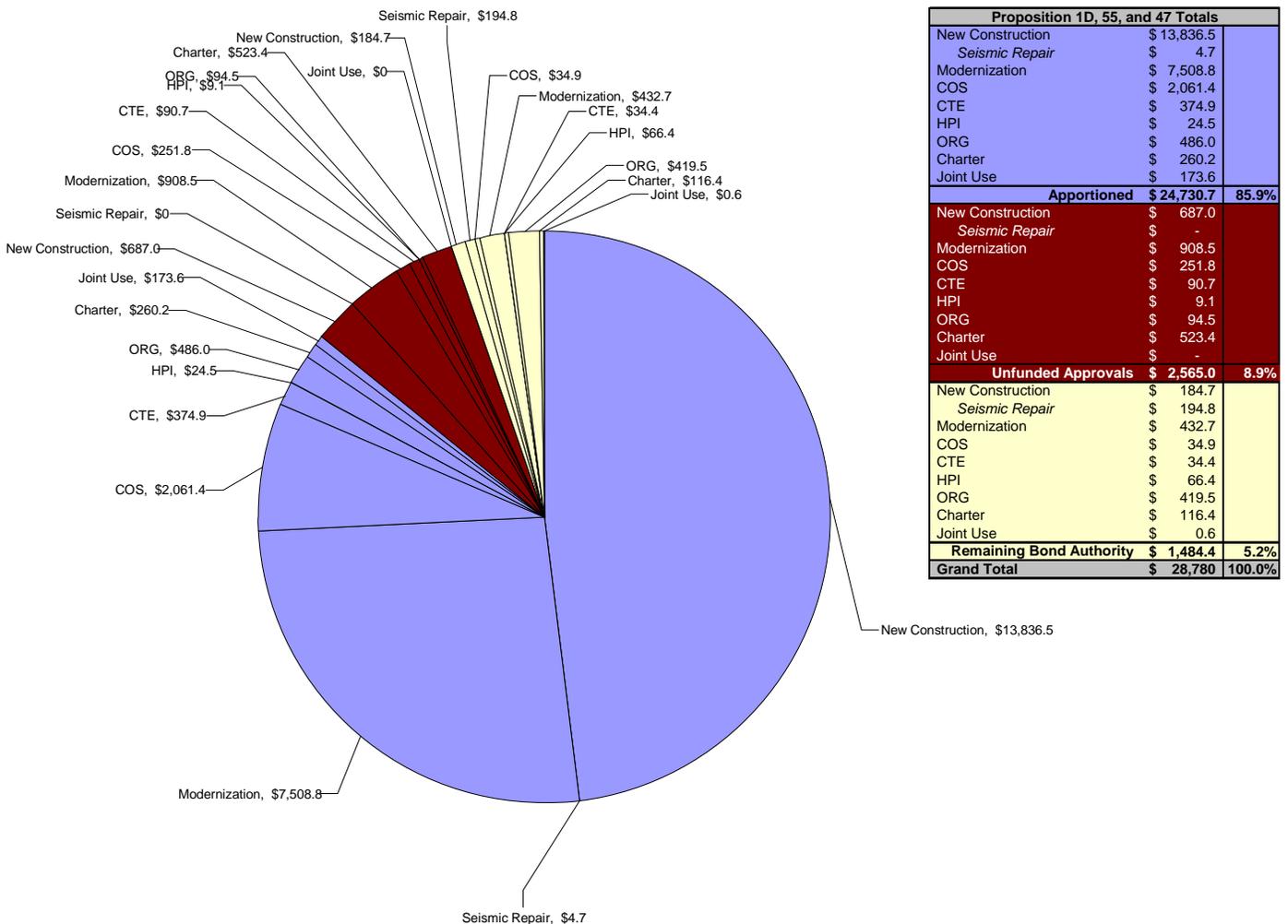
PURPOSE

To discuss the remaining bond authority in the School Facility Program.

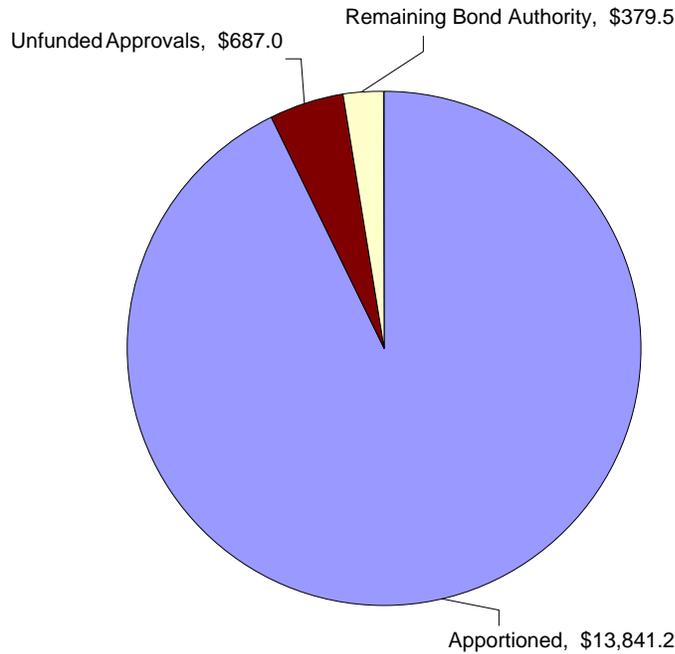
DESCRIPTION

As of October 26, 2011 there is approximately \$1.49 billion in remaining bond authority of the \$28.7 billion originally authorized by Propositions 47, 55 and 1D. The chart below provides a detailed breakdown of the remaining authority:

Proposition 1D, 55 and 47 Bond Authority - \$28.780 billion (in millions)



Propositions 1D, 55 & 47
New Construction Bond Authority - \$14.908 billion*
(in millions)



New Construction Totals		
Prop 1D	\$ 1,668.2	
<i>Seismic Repair</i>	\$ 4.7	
Prop 55	\$ 5,264.8	
Prop 47	\$ 6,903.5	
Apportioned	\$ 13,841.2	92.8%
Prop 1D	\$ 32.1	
<i>Seismic Repair</i>	\$ -	
Prop 55	\$ 561.0	
Prop 47	\$ 93.9	
Unfunded Approvals	\$ 687.0	4.6%
Prop 1D	\$ 0.2	
<i>Seismic Repair</i>	\$ 194.8	
Prop 55**	\$ 163.8	
Prop 47	\$ 20.7	
Remaining Bond Authority	\$ 379.5	2.5%
Grand Total	\$ 14,907.7	100.0%

*Includes Energy Efficiency, Small High Schools, Seismic Repair, and the transfer of Critically Overcrowded School Facilities Program Funds to New Construction (\$700 million and \$68.1 million from Prop. 47; \$268.8 million, \$318.3 million, \$225 million, and \$211.7 million from Prop. 55)"

** Includes \$5.8 million from the Lease Purchase Program on October 6, 2010.

BURN RATES

PURPOSE

To discuss projected “burn rates” of School Facility Program bond authority.

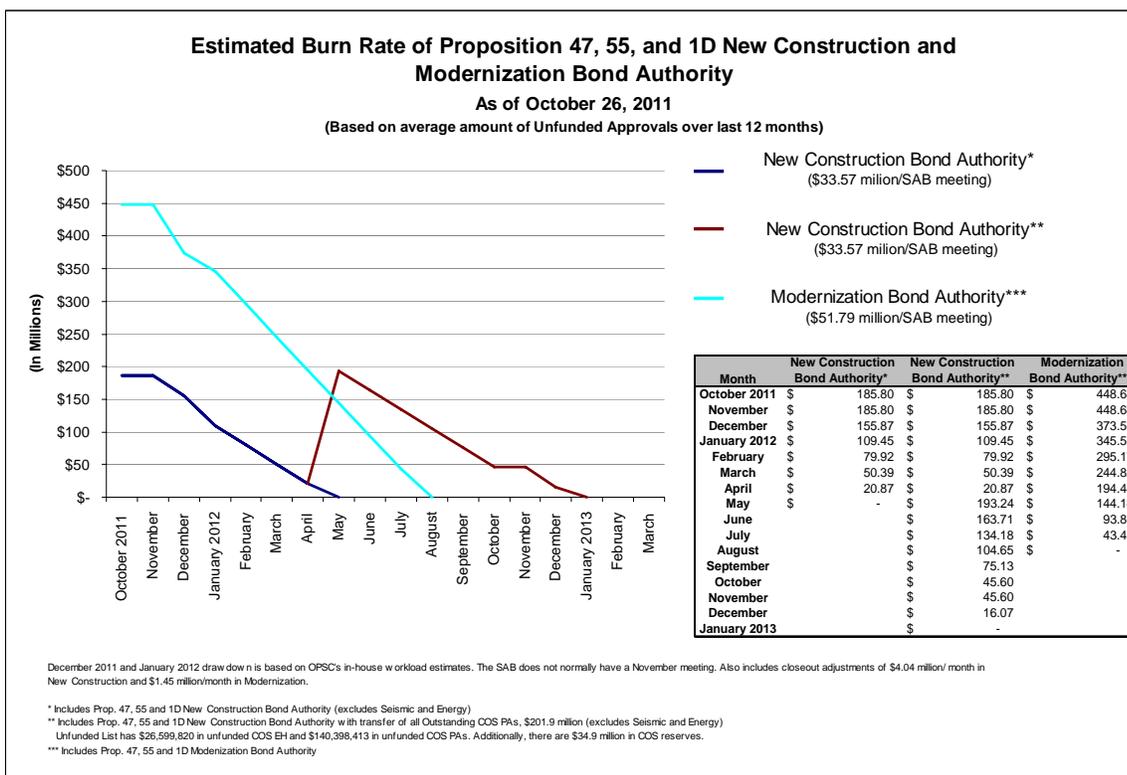
DESCRIPTION

Burn rates are used to determine the amount of time remaining before all available bond authority is exhausted. By looking at historical data, Staff has estimated the timeframe in which the remaining bond authority in several major programs may be exhausted.

New Construction and Modernization

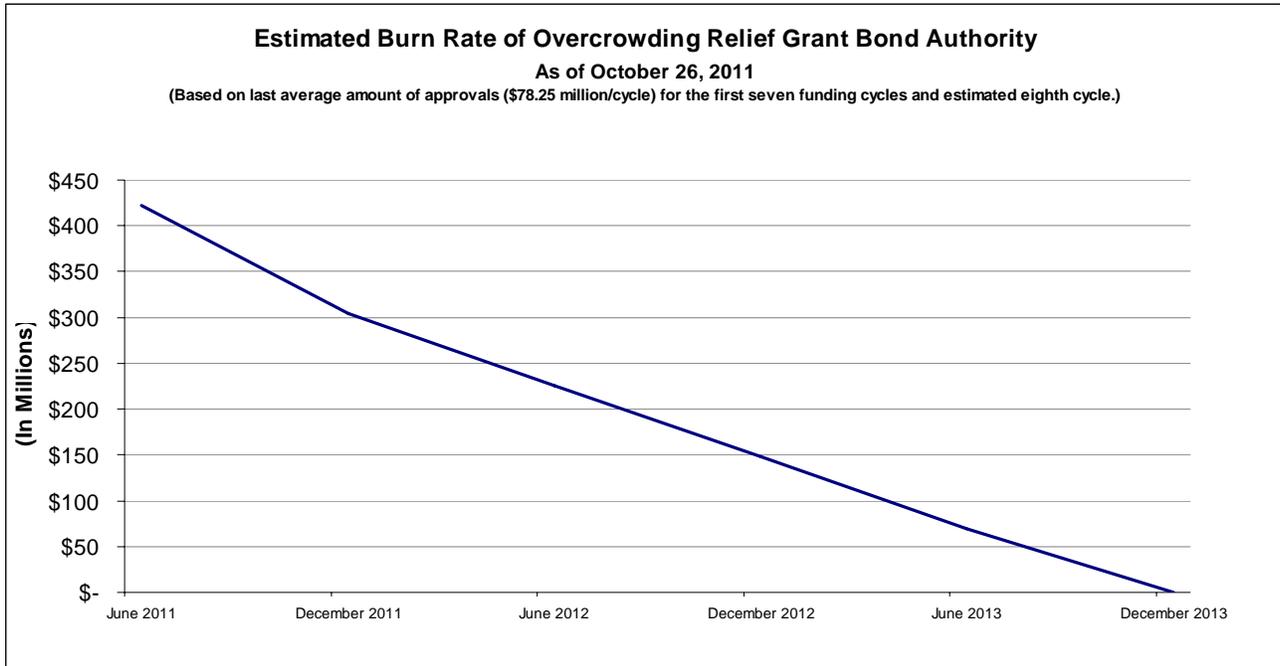
Staff has included the new construction and modernization workload numbers for unfunded approvals scheduled to be presented in December 2011 and January 2012. These numbers, in conjunction with the prior approvals for the past 10 months, have been used to generate average monthly unfunded approval totals of **\$33.57** million for new construction and **\$51.79** million for modernization. This information was used to create the burn rate chart below for these programs. Staff is estimating that new construction bond authority will be exhausted in **May** 2012 and modernization bond authority will be exhausted in August 2012.

Historically, the Board has transferred unused bond authority from the Critically Overcrowded Schools (COS) Program to New Construction. Currently, there is \$201.9 million in outstanding COS preliminary apportionments for 33 COS projects. School districts have until April 2012 to request the conversion of preliminary apportionments to adjusted grant approvals. Assuming these projects do not convert and the Board transfers the authority to New Construction, the exhaustion of the authority in New Construction would be delayed until **January 2013**.



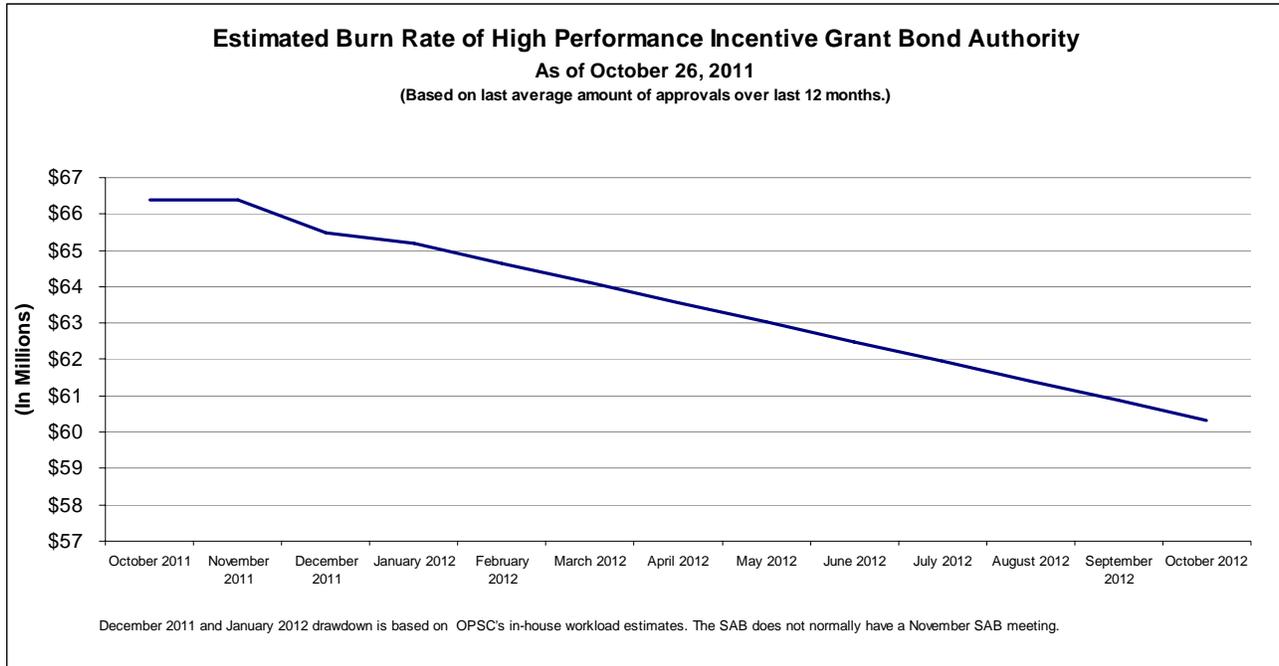
Overcrowding Relief Grant (ORG)

To date, the Board has approved seven ORG funding cycles totaling approximately \$507.7 million. The current workload for the eighth funding cycle is approximately \$118.2 million. Based on the first seven funding cycles and the estimated eighth funding cycle total, the average amount of approvals per cycle is approximately \$78.25 million. Based on this average, Staff is estimating that ORG bond authority will be exhausted in December 2013.



High Performance Incentive Grant (HPI)

Staff currently has the estimated HPI workload numbers for unfunded approvals to be presented in December 2011 and January 2012. These totals, in conjunction with prior approvals for the past 10 months, have been used to generate average monthly unfunded approvals of approximately \$540,000. This information was used to create the burn rate chart below. Currently staff is estimating that HPI bond authority will extend well beyond October 2012. *



*In May 2010, the Board approved changes to the High Performance Rating Criteria (HPRC) adding 16 additional credits and increasing the percentage increases associated with corresponding HPRC points attained in the design. Other changes included updating the HPRC in line with the 2009 California Collaborative for High Performance Schools (CHPS) Criteria and the incorporation of 2008 California Energy Code requirements. Also, in November of 2010, the SAB approved changes to the HPI regulations to include California Green Code requirements. All of these changes were approved by the Office of Administrative Law and became effective on January 25, 2011.

RETURNING BOND AUTHORITY

PURPOSE

To discuss project milestones that return bond authority to the School Facility Program.

DESCRIPTION

OPSC staff regularly presents projects to the Board in the Consent Agenda that return bond authority and cash proceeds to the SFP.

Time Limit On Fund Release (TLOFR) Rescissions

Statute requires school districts to meet the fund release requirements within 18 months of receiving an apportionment.

Over the past 18 months 38 projects totaling \$40,985,544 have been rescinded due to TLOFR. On average, over the past 18 months two applications are rescinded per month for reaching the TLOFR, returning \$2.3 million to the originating programs.

Approximately \$594,523 in New Construction projects is rescinded each month. For Modernization projects, approximately \$859,438 is rescinded each month.

Rescissions and Reductions to Costs Incurred (RCI)

There are circumstances when a school district is unable to proceed with the project after it has requested fund release. In this case, the district may either request the project be rescinded or reduced to costs incurred. In addition, the OPSC may administratively request the Board rescind the project if the district is unable to provide evidence that it has made Substantial Progress on the project within 18 months from the release of funds.

Over the past 18 months 22 projects totaling \$38,366,848 have been rescinded due to lack of substantial progress. On average, over the past 18 months one application is rescinded per month for lack of substantial progress, returning approximately \$2.1 million to the originating program.

Over the past 18 months 49 projects totaling \$46,336,242 have received RCI adjustments. On average, over the past 18 months approximately three applications per month have been subject to an RCI adjustment, returning approximately \$2.6 million to the originating program.

In New Construction specifically, approximately \$2,314,967 is rescinded or reduced to costs incurred each month. In Modernization, approximately \$412,173 is rescinded or reduced to costs incurred each month.

Closeout Adjustments

Over the past 18 months 17 projects have received additional funding totaling \$3,663,772 during closeout reviews. On average, increases occur for approximately one application totaling approximately \$200,000 per month during closeout reviews.

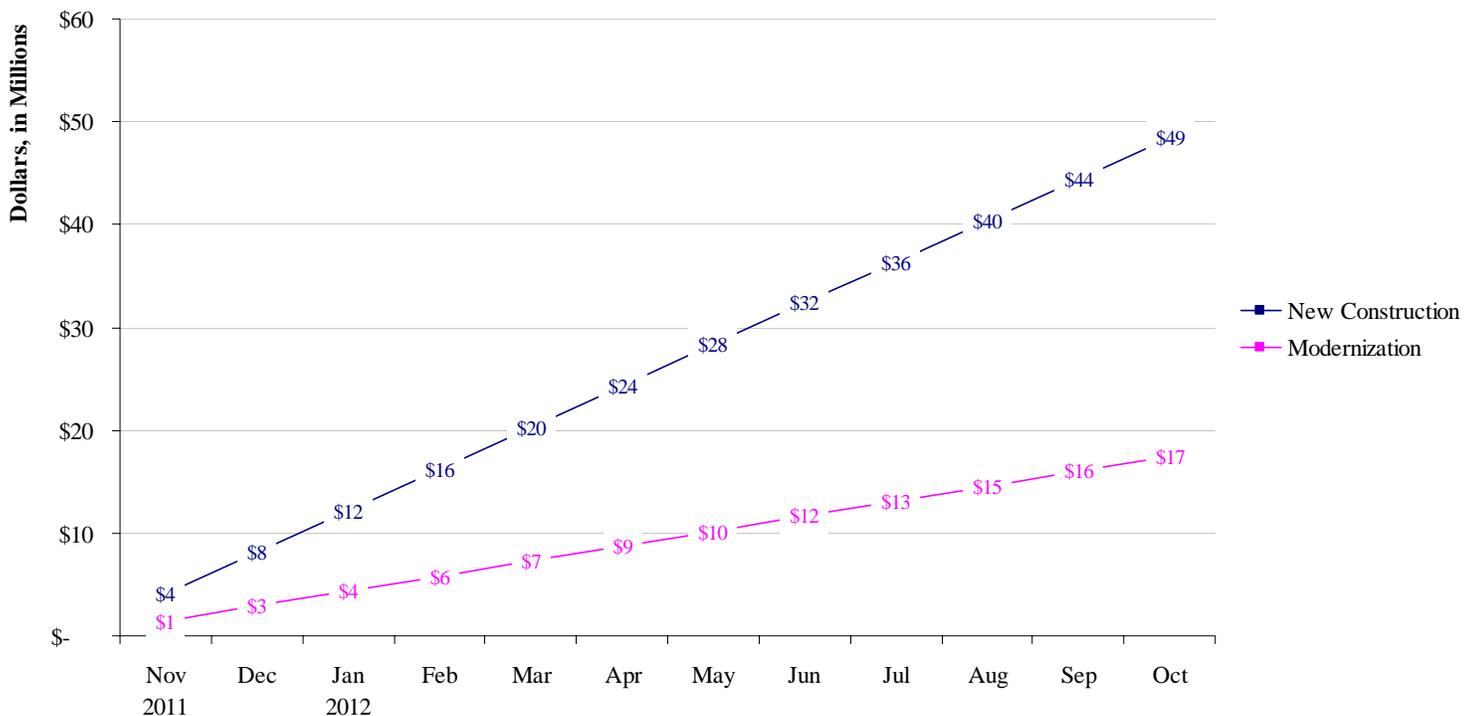
Over the past 18 months 257 projects have received decreased funding totaling \$27,337,075 during closeout reviews. On average, decreases occur for approximately 14 applications totaling \$1.6 million per month during closeout review

The net return to the program is approximately \$1.4 million after both positive and negative closeout audits have been taken into account. Approximately \$1,133,441 is adjusted each month for New Construction projects. For Modernization projects, approximately \$181,743 is adjusted each month.

Based on the average amounts outlined above, the following table outlines the cumulative projected bond authority returned to the SFP over the next 12 months.

Month and Year	New Construction	Modernization
Nov 2011	\$ 4,042,930	\$ 1,453,354
Dec 2011	\$ 8,085,860	\$ 2,906,707
Jan 2012	\$ 12,128,790	\$ 4,360,061
Feb 2012	\$ 16,171,719	\$ 5,813,414
Mar 2012	\$ 20,214,649	\$ 7,266,768
Apr 2012	\$ 24,257,579	\$ 8,720,122
May 2012	\$ 28,300,509	\$ 10,173,475
Jun 2012	\$ 32,343,439	\$ 11,626,829
Jul 2012	\$ 36,386,369	\$ 13,080,183
Aug 2012	\$ 40,429,299	\$ 14,533,536
Sep 2012	\$ 44,472,228	\$ 15,986,890
Oct 2012	\$ 48,515,158	\$ 17,440,243

12-Month Projection for Funds Returned to New Construction and Modernization



PURPOSE

To discuss Level III developer fees.

AUTHORITY

See attached.

DESCRIPTION

There are three levels that may be levied for developer's fees. The Level I fee is assessed if the district conducts a Justification Study that establishes the connection between the development coming into the district and the assessment of fees to pay for the cost of the facilities needed to house future students. The Level II fee is assessed if a district makes a timely application to the State Allocation Board for new construction funding, conducts a School Facility Needs Analysis pursuant to Government Code Section 65995.6, and satisfies at least two of the requirements listed in Government Code Section 65995.5(b)(3). The Level III fee is assessed when State bond funds are exhausted; the district may impose a developer's fee up to 100 percent of the School Facility Program new construction project cost.

In order to implement Level III developer fees the Board must make a declaration of a "lack of funds" to provide apportionments to school facilities projects. In February 2002 the Attorney General, at the request of the Board, opined that the Board couldn't make a declaration of a lack of funds until all voter authorized bond authority has been exhausted.

Developer Fee Requirements

Circumstances	Level I	Level II	Level III
Developer Fee Rate	Price statute per construction permit set in statute	The calculations in the School Facility Needs Analysis determines the amount of the Level II fee.	District may impose developer fee up to 100% of the SFP new construction cost
Justification	Justification Study Required	School Facility Needs Analysis Required	School Facility Needs Analysis Required
Additional Requirements		Must satisfy at least 2: <ol style="list-style-type: none"> 1) 30% of pupils must be multi-track year round if unified or elementary district 2) In the previous 4 years, a local GO bond must have received at least 51% of the votes must have been on the ballot 3) District has bond indebtedness of at least 15% of total bond indebtedness 4) At least 20% of teaching stations within district are relocatable 	<ol style="list-style-type: none"> 1) State must no longer have funds available to apportion projects 2) SAB must notify the Secretary of the Senate and Chief Clerk of the Assembly in writing of the determination

THE NEW CONSTRUCTION FUNDING PROCESS

PURPOSE

To discuss the past and present New Construction funding process.

DESCRIPTION

The process for accessing the State assistance for this funding is divided into three steps: an application for eligibility, an application for funding and an application for fund release.

State School Building Funding Process

New Construction and Modernization



Eligibility

The underlying concept behind eligibility for new construction is very straightforward: a district must demonstrate that the existing seating capacity is insufficient to house the pupils anticipated in the district using a five-year projection of enrollment.

To make an initial eligibility determination Staff looks at two types of information:

- (1) Enrollment projections; and
- (2) Existing school building capacity.

This information is gathered on specific forms described below.

1. *Enrollment Projections*

It may take several years to take a new construction project from the initial determination of need to final completion of construction and occupancy. Because of this, the SFP provides a *projection* of enrollment five years into the future to determine eligibility for funding. The *Enrollment Certification/Projection* (Form SAB 50-01) is used to make this projection. This form assists the district with determining future needs, planning, arranging State and local funding, and constructing the project before the children to be served arrive. The method of projecting enrollment into the future involves using current and historical California Basic Educational Data System (CBEDS) enrollment data for the district. The data collected is then projected into the future for five years using a method known as a Cohort Survival Projection. A district can obtain CBEDS data from the California Department of Education (CDE).

On June 25, 2008 the Board approved regulations for the implementation of Assembly Bill 1014. The bill authorized the Board to modify the enrollment projection calculation through the use of modified weighting mechanisms, birth rate augmentations, a ten-year projection (as opposed to the standard 5 year projection), and the use of pupil residence for High School Attendance Area reporting.

2. *Capacity*

The second part in determining the district's eligibility for new construction assistance is to document the capacity of the school district at the time the first application for eligibility is filed under the SFP. This capacity calculation is done only once.

The *Existing School Building Capacity* (Form SAB 50-02) is used to capture the information needed for the calculations. On the Form SAB 50-02, a district reports a gross inventory of all spaces constructed or reconstructed to serve as an area to provide pupil instruction. The grade level of each classroom is also identified. The gross inventory is then adjusted by excluding spaces that are not considered available teaching stations under law or regulation.

The last part in the new construction eligibility determination process is done on the *Eligibility Determination* (Form SAB 50-03). The existing school building capacity calculated is subtracted from the enrollment projection determined and the numbers of pupils left, if any, are considered "unhoused" for the purposes of the SFP. They represent the district's eligibility for new construction grant funding.

Example:

Un-housed Pupil Need

- District has 300 (K-6) students, would like to build 10 classrooms
- Based on the K-6 loading standard;
10 classrooms x 25 pupils = 250 pupils.
- 300 pupils minus 250 pupils = 50 pupils
- Therefore, the District would have an un-housed pupil need for 50 students

Once the new construction eligibility is determined, a "baseline" is created that remains in place as the basis of all future funding applications. The baseline is adjusted for changes in enrollment and

for facilities added, and may be adjusted for other factors such as errors and omissions or amendments to the SFP Regulations.

Eligibility: Then vs. Now

The original SFP funding method used a set timeframe of 18-months to request funds. Under this system there was never a large gap between CDE enrollment reporting periods. If a district waited the full 18 months to request funds, the time period would most likely have only spanned two (CDE) enrollment periods. As a result there was a limited window for district enrollment, and district housing needs to change.

With the inception of the unfunded approvals list there is the possibility that a project can sit on the unfunded approvals list for years before requesting funding. Once a District receives an unfunded approval the application is placed on the unfunded approvals list based on the unfunded approval date.

In May of 2010, the priority funding system was implemented. The system has undergone a few changes; however, most details have remained the same. Once a district receives an unfunded approval, the district has the option to submit a priority funding certification during a priority in funding (PIF) period. If the district elects not to request PIF the application remains on the unfunded approvals list. Currently there is no mechanism requiring districts to submit PIF certifications. As a result, applications can sit on the unfunded approvals list indefinitely. If an application sits on the list for multiple years, there is the possibility that a district's enrollment and housing needs could change dramatically. Currently the oldest new construction application on the unfunded approvals list received its approval on August 26, 2009.

While the method for calculating new construction eligibility has undergone a few changes, the eligibility system has remained intact throughout the history of the SFP. Once a district establishes eligibility, the eligibility only needs to be updated when a district requests additional new construction funding in a new enrollment year, as a result of a reorganization election that affects either the district's enrollment or existing school building capacity, or as a result of a special education program transfer.

Under the SFP districts are not required to have their eligibility re-checked prior to the conversion of an unfunded approval to an apportionment. While a project is sitting on the unfunded approvals list, a district's enrollment and classroom need may change; however, this information is not taken into account as the pupil grants associated with a specific project remain with that project until an apportionment is received or the application is rescinded.

The Financial Hardship program provides 100 percent State funding for Districts those districts that cannot provide all or part of their funding share of a School Facility Program (SFP) project. The Financial Hardship program requires the re-review of a district's financial hardship status prior to receiving an apportionment for applications that have been placed on the unfunded approvals list. Similar to standard SFP projects, Financial Hardship projects must have eligibility to submit a funding application are not required to have their eligibility re-checked prior to the conversion of an unfunded approval to an apportionment.

Funding

After a district has established eligibility for the new construction they may request funding for the design and construction of the facility.

The application for new construction funding is made on a single form, the *Application for Funding* (Form SAB 50-04). The form serves as a vehicle to collect the information necessary to calculate the amount of grants applicable to the project, and also is a certification from the district regarding compliance with requirements of the law and the SFP Regulations. The district may submit the

Form SAB 50-04 after the district has received approval by the CDE and the DSA of the proposed new construction project and the project site when applicable. In most cases, the district has determined its eligibility for new construction grants on the *Eligibility Determination* (Form SAB 50-03) before applying for funding. However, if the district has not established eligibility for the project previously, it may submit the eligibility package with the funding package.

Funding applications are driven by pupil grants. District(s) submit applications based on the size of the project (number of classrooms) and the pupil grants needed (based on State loading standards) to build those classrooms.

For example, the state-loading standard for an elementary school classroom is 25 pupils. A district wishing to build a four-classroom project has the ability to request one hundred pupil grants for the specific project.

In order to request these pupil grants, the district must have enough pupil grant eligibility. Once the Board approves the funding application, the number of pupil grants requested on the application reduces a district's eligibility. These pupil grants are then permanently removed from the district's baseline eligibility, permanently assigned to the specific funding application for which they were requested and are only returned to the districts baseline eligibility if the application is rescinded or withdrawn. Once a funding application is approved and the pupil grants have been removed from the district's baseline eligibility they cannot be affected by decreasing enrollment or decreased housing need within the district.

Fund Release

After the funding application is apportioned, the next step in the process is the actual fund release to the County School Facilities Fund for use by the district. The SFP grant is processed for release when the district submits a *Fund Release Authorization* (Form SAB 50-05).

Fund Release Process (pre-PIF)

Under the old fund release process, pursuant to Education Code Section 17076.10(d) and SFP Regulation Section 1859.90, districts had up to 18 months from the Board approved apportionment date to submit a Form SAB 50-05. At this time the Board had cash readily available to disburse to districts receiving an apportionment.

PIF

On December 17, 2008, the Pooled Money Investment Board (PMIB) took action to temporarily halt disbursing funds from the State's Pooled Money Investment Account for capital projects, including the construction of public schools. As a result, the OPSC was restricted from releasing funds for projects that have been previously apportioned by the Board.

As a result of the PMIB action, the Board instituted the unfunded approvals list in March 2009. This allowed Staff to continue processing funding applications despite the absence of available cash. The pre-PIF fund release process gave no consideration to whether or not a school district was actually ready or able to proceed with the construction of the project. As cash was readily available districts received cash regardless of their readiness to proceed. The PIF system requires an accelerated timeline and allows districts ready to proceed with their projects, the ability to receive cash prior to those that are not ready to move forward regardless of placement of the unfunded approvals list.

In May of 2010 the Board approved the first PIF round and made the first priority funding apportionments on August 4, 2010.

In May 2011 the Board approved regulations to create two certification-filing periods per year in order for projects on the unfunded approvals list to receive apportionments. Each period will have a 30-day certification submittal window. Certification filing periods will begin the second Wednesday in January and the second Wednesday in July each year. Certifications will be valid until the next filing period begins. As bond sales take place or cash becomes available, districts that have submitted a certification within the appropriate six-month window will be eligible for priority funding apportionments.

The priority funding process requires districts to submit a certification that, if apportioned, the district will be able to submit a fund release request within 90 days of apportionment. If a fund release request is not submitted within 90 days the application is rescinded without further Board approval.

ATTACHMENT A
AUTHORITY

Education Code (EC) Section 17070.35(a) states, "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...
- (2) Establish and publish any procedures and policies in connection with the administration of this chapter as it deems necessary..."

EC Section 17075.10(B) requires that the district has made all reasonable efforts to impose all levels of local debt capacity and development fees, and that the school district is unable to participate in the program pursuant to this chapter except as set forth in this article.

EC Section 17076.10(d) states, "If a school district has received an apportionment, but has not met the criteria to have funds released pursuant to Section 17072.32 or 17074.15 within a period established by the board, but not to exceed 18 months, the board shall rescind the apportionment and deny the district's application.

EC Section 17620 states "(a) (1) The governing board of any school district is authorized to levy a fee, charge, dedication, or other requirement against any construction within the boundaries of the district, for the purpose of funding the construction or reconstruction of school facilities, subject to any limitations set forth in Chapter 4.9 (commencing with Section 65995) of Division 1 of Title 7 of the Government Code. This fee, charge, dedication, or other requirement may be applied to construction only as follows:

(A) To new commercial and industrial construction. The chargeable covered and enclosed space of commercial or industrial construction shall not be deemed to include the square footage of any structure existing on the site of that construction as of the date the first building permit is issued for any portion of that construction.

(B) To new residential construction.

(C) (i) Except as otherwise provided in clause (ii), to other residential construction, only if the resulting increase in assessable space exceeds 500 square feet. The calculation of the "resulting increase in assessable space" for this purpose shall reflect any decrease in assessable space in the same residential structure that also results from that construction. Where authorized under this paragraph, the fee, charge, dedication, or other requirement is applicable to the total resulting increase in assessable space.

(ii) This subparagraph does not authorize the imposition of a levy, charge, dedication, or other requirement against residential construction, regardless of the resulting increase in assessable space, if that construction qualifies for the exclusion set forth in subdivision (a) of Section 74.3 of the Revenue and Taxation Code.

(D) To location, installation, or occupancy of manufactured homes and mobilehomes, as defined in Section 17625.

(2) For purposes of this section, "construction" and "assessable space" have the same meanings as defined in Section 65995 of the Government Code.

(3) For purposes of this section and Section 65995 of the Government Code, "construction or reconstruction of school facilities" does not include any item of expenditure for any of the following:

(A) The regular maintenance or routine repair of school buildings and facilities.

(B) The inspection, sampling, analysis, encapsulation, or removal of asbestos-containing materials, except where incidental to school facilities construction or reconstruction for which the expenditure of fees or other consideration collected pursuant to this section is not prohibited.

(C) The purposes of deferred maintenance described in Section 17582.

(4) The appropriate city or county may be authorized, pursuant to contractual agreement with the governing board, to collect and otherwise administer, on behalf of the school district, any fee, charge, dedication, or other requirement levied under this subdivision. In the event of any agreement authorizing a city or county to collect that fee, charge, dedication, or other requirement in any area within the school district, the certification requirement set forth in subdivision (b) or (c), as appropriate, is deemed to be complied with as to any residential construction within that area upon receipt by that city or county of payment of the fee, charge, dedication, or other requirement imposed on that residential construction.

(5) Fees or other consideration collected pursuant to this section may be expended by a school district for the costs of performing any study or otherwise making the findings and determinations required under subdivisions (a), (b), and (d) of Section 66001 of the Government Code, or in preparing the school facilities needs analysis described in Section 65995.6 of the Government Code. In addition, an amount not to exceed, in any fiscal year, 3 percent of the fees collected in that fiscal year pursuant to this section may be retained by the school district, city, or county, as appropriate, for reimbursement of the administrative costs incurred by that entity in collecting the fees. When any city or county is entitled, under an agreement as described in paragraph (4), to compensation in excess of that amount, the payment of that excess compensation shall be made from other revenue sources available to the school district. For purposes of this paragraph, "fees collected in that fiscal year pursuant to this section" does not include any amount in addition to the amounts specified in paragraphs (1) and (2) of subdivision (b) of Section 65995 of the Government Code.

(b) A city or county, whether general law or chartered, or the Office of Statewide Health Planning and Development shall not issue a building permit for any construction absent certification by the appropriate school district that any fee, charge, dedication, or other requirement levied by the governing board of that school district has been complied with, or of the district's determination that the fee, charge, dedication, or other requirement does not apply to the construction. The school district shall issue the certification immediately upon compliance with the fee, charge, dedication, or other requirement.

(c) If, pursuant to subdivision (c) of Section 17621, the governing board specifies that the fee, charge, dedication, or other requirement levied under subdivision (a) is subject to the restriction set forth in subdivision (a) of Section 66007 of the Government Code, the restriction set forth in subdivision (b) of this section does not apply. In that event, however, a city or county, whether general law or chartered, shall not conduct a final inspection or issue a certificate of occupancy, whichever is later, for any residential construction absent certification by the appropriate school district of compliance by that residential construction with any fee, charge, dedication, or other requirement levied by the governing board of that school district pursuant to subdivision (a).

(d) Neither subdivision (b) nor (c) shall apply to a city, county, or the Office of Statewide Health Planning and Development as to any fee, charge, dedication, or other requirement as described in subdivision (a), or as to any increase in that fee, charge, dedication, or other requirement, except upon the receipt by that city, county, or the Office of Statewide Health Planning and Development of notification of the adoption of, or increase in, the fee or other requirement in accordance with subdivision (c) of Section 17621."

EC Section 100420 states, "(a) Of the proceeds from the sale of bonds, issued and sold pursuant to this chapter, as specified in subdivision (a) of Section 100410, not more than three billion three hundred fifty million dollars (\$3,350,000,000) shall be allocated beginning in the 1998-99 fiscal year in accordance with the following schedule:

(1) Not less than one billion three hundred fifty million dollars (\$1,350,000,000) for project funding related to the growth in enrollment of applicant school districts under Chapter 12 and Chapter 12.5 that have incurred or will incur enrollment increases.

(2) Not less than eight hundred million dollars (\$800,000,000) for the reconstruction or modernization of facilities pursuant to Chapter 12 and Chapter 12.5.

(3) Not more than five hundred million dollars (\$500,000,000) shall be deposited in the Public School Critical Hardship Account, which is hereby established in the 1998 State School Facilities Fund and shall be allocated by the State Allocation Board to fund critical hardships as defined in Chapter 12.5. These funds may be expended for the acquisition of portable classrooms for use in accordance with Chapter 14 (commencing with Section 17085) of Part 10.

(4) (A) Not more than seven hundred million dollars (\$700,000,000) may be allocated to assist school districts with site acquisition and facilities-related costs of kindergarten and grades 1 to 3, inclusive, that are in the Class Size Reduction Program contained in Chapter 6.10 (commencing with Section 52120) of Part 28 and Chapter 19 (commencing with Section 17200) of Part 10, and to assist districts with the restoration of facilities that previously accommodated other programs and were displaced as a result of the implementation of class size reduction. On and after July 1, 2000, if applications for the total funds available under this paragraph have not been filed with the State Allocation Board, the funds for which applications have not been received may be allocated by the board to other high priority needs as the board determines. On and after July 1, 2003, any funds not allocated are available for other high priority needs.

(B) The funds allocated in subparagraph (A) shall be allocated to the State Department of Education to provide class size reduction facilities grants necessary to implement the K-3 Class Size Reduction Program established pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 and Chapter 19 (commencing with Section 17200) of Part 10. The department shall certify to the State Allocation Board the amount of funds needed for this purpose. The board shall transfer the amount of funds needed to the department. From these funds, the department shall award eligible districts forty thousand dollars (\$40,000) for each new option one class established for class size reduction for which the district had not previously received funding under class size reduction facilities programs.

(C) The remaining funds provided pursuant to subparagraph (A) shall be to provide funding for schoolsites that were eligible to receive a class size reduction land-locked waiver pursuant to Section 52122.6. The funds may be provided to districts to provide 50 percent of the cost of funding a facilities mitigation plan developed for the impacted site pursuant to Section 52122.7.

(D) Any funds not expended pursuant to subparagraphs (A), (B), or (C) may be allocated to districts that request funding of forty thousand dollars (\$40,000) for each teaching station that (1) was displaced as a result of the implementation of class size reduction and (2) received less than forty thousand dollars (\$40,000) per teaching station in 1996-97 pursuant to Chapter 19 (commencing with Section 17200) of Part 10. Programs for which teaching stations may be restored may include child care, extended day care, school libraries, computer labs, and special education classrooms.

(b) Of the proceeds from the sale of bonds issued and sold pursuant to this chapter, as specified in subdivision (b) of Section 100410, not more than three billion three hundred fifty million dollars (\$3,350,000,000) shall be allocated beginning in the 2000-01 fiscal year in accordance with the following schedule:

(1) Not less than one billion five hundred fifty million dollars (\$1,550,000,000) for project funding related to the growth in enrollment of applicant school districts under Chapter 12.5 that have incurred or will incur enrollment increases.

(2) Not less than one billion three hundred million dollars (\$1,300,000,000) for the reconstruction or modernization of facilities pursuant to Chapter 12.5.

(3) Not more than five hundred million dollars (\$500,000,000) shall be deposited in the Public School Critical Hardship Account in the 1998 State School Facilities Fund and shall be allocated by the State Allocation Board to fund critical hardships as defined in Chapter 12.5. These funds may be expended for the acquisition of portable classrooms for use in accordance with Chapter 14 (commencing with Section 17085) of Part 10.

(c) Districts may use funds allocated pursuant to paragraph (2) of subdivision (a) and paragraph (2) of subdivision (b) for one or more of the following purposes in accordance with Chapter 12.5:

(1) The purchase and installation of air-conditioning equipment and insulation materials, and related costs.

(2) Construction projects or the purchase of furniture or equipment designed to increase school security or playground safety.

(3) The identification, assessment, or abatement in school facilities of hazardous asbestos.

(4) Project funding for high priority roof replacement projects.

(5) Any other renovation or modernization of facilities pursuant to Chapter 12.5.

(d) Funds allocated pursuant to paragraph (1) of subdivision (a) and paragraph (1) of subdivision (b) may be utilized to provide new construction grants, without regard to funding priorities, for applicant county boards of education under Chapter 12.5 that are eligible for that funding or classrooms for severely handicapped pupils and funding for classrooms for county community school pupils.

(e) (1) The Legislature may amend this section to adjust the minimum funding amounts specified in paragraphs (1) and (2) of subdivision (a) and the maximum funding amounts specified in paragraphs (3) and (4) of subdivision (a), and to adjust the minimum funding amounts specified in paragraphs (1) and (2) of subdivision (b) and the maximum funding amount specified in paragraph (3) of subdivision (b), by either of the following methods:

(A) By a statute, passed in each house of the Legislature by rollcall vote entered in the respective journals, by not less than two-thirds of the membership in each house concurring, if the statute is consistent with, and furthers the purposes of, this chapter.

(B) By a statute that becomes effective only when approved by the voters.

(2) Amendments pursuant to this subdivision may adjust the amounts to be expended pursuant to paragraphs (1) to (4), inclusive, of subdivision (a) or paragraphs (1) to (3), inclusive, of subdivision (b) or both, but may not increase or decrease the total amount to be expended pursuant to either subdivision.

EC Section 100620 states, "(a) The proceeds from the sale of bonds, issued and sold for the purposes of this chapter, shall be allocated in accordance with the following schedule:

(1) The amount of three billion four hundred fifty million dollars (\$3,450,000,000) for new construction of school facilities of applicant school districts under Chapter 12.5 (commencing with Section 17070.10) of Part 10 for those school districts that file an application with the Office of Public School Construction after February 1, 2002, including, but not limited to, hardship applications.

(A) Of the amount allocated pursuant to this paragraph, up to one hundred million dollars (\$100,000,000) shall be available for providing school facilities to charter schools pursuant to a statute enacted after the effective date of the act enacting this section.

(B) If the Housing and Emergency Shelter Trust Fund Act of 2002 is submitted to the voters at the November 5, 2002, general election and fails passage by the voters, of the amount allocated pursuant to this paragraph, twenty-five million dollars (\$25,000,000) shall be available for the purposes of Sections 51451.5, 51453, and 51455 of the Health and Safety Code.

(2) The amount of one billion four hundred million dollars (\$1,400,000,000) for the modernization of school facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10 for those school districts that file an application with the Office of Public School Construction after February 1, 2002, including, but not limited to, hardship applications.

(3) The amount of two billion nine hundred million dollars (\$2,900,000,000) for new construction of school facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10 for those school districts that have filed an application with the Office of Public School Construction on or before February 1, 2002, including, but not limited to, hardship applications. If the amount made available for purposes of this paragraph is not needed and expended for the purposes of this paragraph, the State Allocation Board may allocate the remainder of these funds for purposes of paragraph (1).

(4) The amount of one billion nine hundred million dollars (\$1,900,000,000) for the modernization of school facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10, for those school districts that have filed an application with the Office of Public School Construction on or before February 1, 2002, including, but not limited to, hardship applications. If the amount made

available for purposes of this paragraph is not needed and expended for the purposes of this paragraph, the State Allocation Board may allocate these funds for purposes of paragraph (2).

(5) The amount of one billion seven hundred million dollars (\$1,700,000,000) for deposit into the 2002 Critically Overcrowded School Facilities Account established within the 2002 State School Facilities Fund pursuant to subdivision (e) of Section 17078.10, for the purposes set forth in Article 11 (commencing with Section 17078.10) of Chapter 12.5 of Part 10 relating to critically overcrowded schools, including, but not limited to, hardship applications, and any other new construction or modernization projects as authorized pursuant to Section 17078.30.

(6) The amount of fifty million dollars (\$50,000,000) for the purposes set forth in Article 10.6 (commencing with Section 17077.40) of Chapter 12.5 of Part 10 relating to joint-use projects, including, but not limited to, hardship applications.

(b) School districts may use funds allocated pursuant to paragraphs (2) and (4) of subdivision (a) only for one or more of the following purposes in accordance with Chapter 12.5 (commencing with Section 17070.10) of Part 10:

(1) The purchase and installation of air-conditioning equipment and insulation materials, and related costs.

(2) Construction projects or the purchase of furniture or equipment designed to increase school security or playground safety.

(3) The identification, assessment, or abatement in school facilities of hazardous asbestos.

(4) Project funding for high priority roof replacement projects.

(5) Any other modernization of facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10.

(c) Funds allocated pursuant to paragraphs (1) and (3) of subdivision (a) may, also, be utilized to provide new construction grants for eligible applicant county boards of education under Chapter 12.5 (commencing with Section 17070.10) of Part 10 for funding classrooms for severely handicapped pupils, or for funding classrooms for county community school pupils.

(d) (1) The Legislature may amend this section to adjust the funding amounts specified in paragraphs (1) to (6), inclusive, of subdivision (a), only by either of the following methods:

(A) By a statute, passed in each house of the Legislature by rollcall vote entered in the respective journals, by not less than two-thirds of the membership in each house concurring, if the statute is consistent with, and furthers the purposes of, this chapter.

(B) By a statute that becomes effective only when approved by the voters.

(2) Amendments pursuant to this subdivision may adjust the amounts to be expended pursuant to paragraphs (1) to (6), inclusive, of subdivision (a), but may not increase or decrease the total amount to be expended pursuant to that subdivision.

(e) From the total amounts set forth in paragraphs (1) to (6), inclusive, of subdivision (a), a total of no more than twenty million dollars (\$20,000,000) shall be used for the costs of energy conservation adjustments authorized pursuant to Section 17077.35.

(f) Funds available pursuant to this section may be used for acquisition of school facilities authorized pursuant to Section 17280.5.”

EC Section 100820 states “ (a) The proceeds from the sale of bonds, issued and sold for the purposes of this chapter, shall be allocated in accordance with the following schedule:

(1) The amount of five billion two hundred sixty million dollars (\$5,260,000,000) for project funding for new construction of school facilities of applicant school districts under Chapter 12.5 (commencing with Section 17070.10) of Part 10, including, but not limited to, hardship applications.

(A) Of the amount allocated pursuant to this paragraph, up to three hundred million dollars (\$300,000,000) shall be available for providing school facilities to charter schools pursuant to a statute enacted after the effective date of the act enacting this section.

(B) If the Housing and Emergency Shelter Trust Fund Act of 2002 is submitted to the voters at the November 5, 2002, general election and fails passage by the voters, of the amount allocated pursuant to this paragraph, twenty-five million dollars (\$25,000,000) shall be available for the purposes of Sections 51451.5, 51453, and 51455 of the Health and Safety Code.

(2) The amount of two billion two hundred fifty million dollars (\$2,250,000,000) for the modernization of school facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10, including, but not limited to, hardship applications.

(3) The amount of two billion four hundred forty million dollars (\$2,440,000,000) for deposit into the 2004 Critically Overcrowded School Facilities Account established within the 2004 State School Facilities Fund pursuant to subdivision (e) of Section 17078.10 for the purposes set forth in Article 11 (commencing with Section 17078.10) of Chapter 12.5 of Part 10 relating to critically overcrowded schools, including, but not limited to, hardship applications, and any other new construction or modernization projects as authorized pursuant to Section 17078.30.

(4) The amount of fifty million dollars (\$50,000,000) for the purposes set forth in Article 10.6 (commencing with Section 17077.40) of Chapter 12.5 of Part 10 relating to joint-use projects, including, but not limited to, hardship applications.

(b) School districts may use funds allocated pursuant to paragraph (2) of subdivision (a) only for one or more of the following purposes in accordance with Chapter 12.5 (commencing with Section 17070.10) of Part 10:

(1) The purchase and installation of air-conditioning equipment and insulation materials, and related costs.

(2) Construction projects or the purchase of furniture or equipment designed to increase school security or playground safety.

(3) The identification, assessment, or abatement in school facilities of hazardous asbestos.

(4) Project funding for high priority roof replacement projects.

(5) Any other modernization of facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10.

(c) Funds allocated pursuant to paragraph (1) of subdivision (a) may, also, be utilized to provide new construction grants for eligible applicant county boards of education under Chapter 12.5 (commencing with Section 17070.10) of Part 10 for funding classrooms for severely handicapped pupils, or for funding classrooms for county community school pupils.

(d) (1) The Legislature may amend this section to adjust the funding amounts specified in paragraphs (1) to (4), inclusive, of subdivision (a), only by either of the following methods:

(A) By a statute, passed in each house of the Legislature by rollcall vote entered in the respective journals, by not less than two-thirds of the membership in each house concurring, if the statute is consistent with, and furthers the purposes of, this chapter.

(B) By a statute that becomes effective only when approved by the voters.

(2) Amendments pursuant to this subdivision may adjust the amounts to be expended pursuant to paragraphs (1) to (4), inclusive, of subdivision (a), but may not increase or decrease the total amount to be expended pursuant to that subdivision.

(e) From the total amounts set forth in paragraphs (1) to (4), inclusive, of subdivision (a), a total of no more than twenty million dollars (\$20,000,000) shall be used for the costs of energy conservation adjustments authorized pursuant to Section 17077.35.

(f) Funds available pursuant to this section may be used for acquisition of school facilities authorized pursuant to Section 17280.5.”

EC Section 101012 states, “(a) The proceeds from the sale of bonds, issued and sold for the purposes of this chapter, shall be allocated in accordance with the following schedule:

(1) The amount of one billion nine hundred million dollars (\$1,900,000,000) for new construction of school facilities of applicant school districts under Chapter 12.5 (commencing with Section 17070.10) of Part 10. Of the amount allocated under this paragraph, up to 10.5 percent shall be available for purposes of seismic repair, reconstruction, or replacement, pursuant to Section 17075.10.

(2) The amount of five hundred million dollars (\$500,000,000) shall be available for providing school facilities to charter schools pursuant to Article 12 (commencing with Section 17078.52) of Chapter 12.5 of Part 10.

(3) The amount of three billion three hundred million dollars (\$3,300,000,000) for the modernization of school facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10.

(4) The amount of five hundred million dollars (\$500,000,000) for the purposes set forth in Article 13 (commencing with Section 17078.70) of Chapter 12.5 of Part 10, relating to facilities for career technical education programs.

(5) Of the amounts allocated under paragraphs (1) and (3), up to two hundred million dollars (\$200,000,000) for the purposes set forth in Chapter 894 of the Statutes of 2004, relating to incentives for the creation of smaller learning communities and small high schools.

(6) The amount of twenty-nine million dollars (\$29,000,000) for the purposes set forth in Article 10.6 (commencing with Section 17077.40) of Chapter 12.5 of Part 10, relating to joint use projects.

(7) The amount of one billion dollars (\$1,000,000,000) shall be available for providing new construction funding to severely overcrowded schoolsites pursuant to Article 14 (commencing with Section 17079) of Chapter 12.5 of Part 10.

(8) The amount of one hundred million dollars (\$100,000,000) for incentive grants to promote the use of designs and materials in new construction and modernization projects that include the attributes of high-performance schools, including, but not limited to, the elements set forth in Section 17070.96, pursuant to regulations adopted by the State Allocation Board.

(b) School districts may use funds allocated pursuant to paragraph (3) of subdivision (a) only for one or more of the following purposes in accordance with Chapter 12.5 (commencing with Section 17070.10) of Part 10:

(1) The purchase and installation of air-conditioning equipment and insulation materials, and related costs.

(2) Construction projects or the purchase of furniture or equipment designed to increase school security or playground safety.

(3) The identification, assessment, or abatement in school facilities of hazardous asbestos.

(4) Project funding for high-priority roof replacement projects.

(5) Any other modernization of facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10.

(c) Funds allocated pursuant to paragraph (1) of subdivision (a) may also be utilized to provide new construction grants for eligible applicant county boards of education under Chapter 12.5 (commencing with Section 17070.10) of Part 10 for funding classrooms for severely handicapped pupils, or for funding classrooms for county community school pupils.

(d) (1) The Legislature may amend this section to adjust the funding amounts specified in paragraphs (1) to (8), inclusive, of subdivision (a), only by either of the following methods:

(A) By a statute, passed in each house of the Legislature by rollcall vote entered in the respective journals, by not less than two-thirds of the membership in each house concurring, if the statute is consistent with, and furthers the purposes of, this chapter.

(B) By a statute that becomes effective only when approved by the voters.

(2) Amendments pursuant to this subdivision may adjust the amounts to be expended pursuant to paragraphs (1) to (8), inclusive, of subdivision (a), but may not increase or decrease the total amount to be expended pursuant to that subdivision.

(e) Funds available pursuant to this section may be used for acquisition of school facilities authorized pursuant to Section 17280.5.”

Budget Letter 10-09 requires that if there are insufficient bond proceeds, departments and agencies are responsible for prioritizing the projects that will be funded consistent with the prioritization criteria outlined (including job creation). It also indicates that if bond proceeds are not managed efficiently, additional bonds may not be sold for the program.

Government Code (GC) Section 15503 states, “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.”

GC Section 65995(b)(3) requires the maximum square footage assessment for development be “increased in 2000 and every two years thereafter, according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the State Allocation Board at its January Board meeting...effective as of the date of that meeting.”

School Facility Program (SFP) Regulation Section 1859.90 states, “With the exception of an apportionment made pursuant to Sections 1859.81.1(e) or 1859.81.2, or of an Inactive Apportionment subject to Section 1859.96, the OPSC will release State funds that the Board has apportioned to the district after submittal, by the district, of the Form SAB 50-05, subject to the availability of financing provided by the Pooled Money Investment Board for bond-funded projects. With the exception of an apportionment made for a Type II Joint-Use Project, not part of a qualifying SFP Modernization project, pursuant to Article 12 of these Regulations, a district must submit the Form SAB 50-05, within 18 months of the Apportionment of the SFP grant for the project or the entire New Construction Adjusted Grant, Modernization Adjusted Grant or Type I or II, part of a qualifying SFP Modernization project, Joint-Use Project apportionment shall be rescinded without further Board action, and the pupils housed in the project, if applicable, will be added back to the district’s baseline eligibility. The district may refile a new application for the project subject to district eligibility and priority funding at the time of resubmittal.

If the apportionment was made for a Type II Joint-Use Project, not part of a qualifying SFP Modernization project, pursuant to Article 12 of these Regulations, the district must submit Form SAB 50-05 within 18 months of the date the plans and specifications for the Joint-Use Project that have been approved by the DSA and the CDE are submitted to the OPSC or the apportionment shall be rescinded without further Board action.

Subject to the availability of financing provided by the Pooled Money Investment Board for bond-funded projects, the OPSC will release State funds that have been apportioned by the Board pursuant to Section 1859.81.1(e) to the district within 30 calendar days of the apportionment.”

SFP) Regulation Section 1859.90 states, “The priority funding process allows the Board to distribute available funds to districts or charter schools who request an Apportionment or an advance release of funds from a Preliminary Apportionment or Preliminary Charter School Apportionment during specific 30-calendar day filing periods beginning with July 27, 2011 and continuing with the 2nd Wednesday of January and the 2nd Wednesday of July each calendar year. Certifications are valid until the next filing period begins. Requests must be physically received by the OPSC by the 30th calendar day to be considered valid. During any priority funding process a district or charter school must submit the Form SAB 50-05 within a specified time period of the Apportionment or approved advance release of funds request, pursuant to (a)(2) or (b)(2) of this section. Projects receiving an apportionment as part of the priority funding process for which the OPSC does not physically receive an original signature copy of the Form SAB 50-05 within the appropriate time limit shall be rescinded without further Board action.

(a) In order to be considered for an Apportionment, approved advance release of design funds from a Preliminary Charter School Apportionment, or approved advance release of environmental hardship site acquisition funds from a Preliminary Apportionment, the district or charter school must provide a written statement signed by an authorized representative that includes each of the project application numbers, and the type of apportionment request (e.g., Apportionment, separate apportionment for design or site acquisition), within the 30 calendar day filing period that contains all of the following:

- (1) Request to convert the unfunded approval to an Apportionment or to receive an approved advance release of funds; and
- (2) Concurrence with a 90 calendar day time limit on fund release; and
- (3) Acknowledgement that a valid, original signature Form SAB 50-05 must be submitted and physically received by the OPSC within the 90 calendar day time limit and failure to do so will result in the rescission of the Apportionment or approved advance release of funds request without further Board action; and

(4) For those receiving an Apportionment, acknowledgement that by participating in the priority funding process, the district or charter school is waiving its right to a standard 18 month timeline for fund release submittal.

(b) In order to be considered for an approved advance release of site acquisition funds from a Preliminary Charter School Apportionment, the district or charter school must provide a written statement signed by an authorized representative within the 30 calendar day filing period that contains all of the following:

(1) Request to convert the advance release of funds to an approved advance release of funds request; and,

(2) Concurrence with a 180 calendar day time limit on fund release; and

(3) Acknowledgement that a valid, original signature Form SAB 50-05 must be submitted and physically received by the OPSC within the 180 calendar day time limit and failure to do so will result in the rescission of the approved advance release of funds request without further Board action; and

(4) Acknowledgement that it must provide evidence that it has entered into the Charter School Agreements within 90 calendar days of approval of the advance release of funds request and failure to do so will result in the rescission of the approval without further Board action.

In the event that the amount of requests received during a specific 30-day filing period exceeds the funds available, the Board shall apportion based on the unfunded approval date and the application received date up to the available cash from each bond source. Projects that have requested to participate in the priority funding process for which an Apportionment cannot be provided shall retain their date order position on the Unfunded List. Request letters of projects not converted to apportionments will not be returned to the district or kept by the Office of Public School Construction.

For purposes of this section “rescinded” or “rescission” shall mean that the apportionment or approved advance release of funds request returns to unfunded approval status with a new unfunded approval date. The new unfunded approval date will be 90 calendar days after the apportionment date. The district or charter school will not be required to re-submit the application and no further application review will be required.