REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, December 10, 2008

LEGISLATIVE UPDATE

PURPOSE OF REPORT

To provide the State Allocation Board (SAB) with an update on the recent passage of legislation for the 2007/2008 Legislative Session impacting the programs administered by the SAB.

BACKGROUND

Consistent with prior requests by the Board, the Office of Public School Construction (OPSC) presents a report on the chaptered bills that impact the programs administered by the SAB at the end of each legislative session.

STAFF COMMENTS

The Attachment provides a summary of the chaptered bills and preliminary comments by Staff of the OPSC. It is not a comprehensive study of the bills' ramifications or program implications. Comprehensive, program-specific evaluations are currently in progress.

RECOMMENDATION

Accept this report.

This report was accepted by the State Allocation Board on December 10, 2008.

ATTACHMENT

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BILL	SUMMARY	PRELIMINARY COMMENTS
AB 916 (Niello) Chapter 652	School Facilities Construction: Twin Rivers Unified School District This bill authorizes the Twin Rivers Unified School District to occupy a portion of the East Natomas Education Complex project without jeopardizing its future eligibility for State funding for purposes of housing up to 1,000 unhoused pupils within the middle school. The exemption becomes inoperative on July 1, 2015.	This bill does not require any regulatory action from the State Allocation Board (SAB). This bill takes effect immediately as an urgency statute.
AB 1062 (Ma) Chapter 653	School Facilities: Uniform Standards: Solar Design Plans This bill requires the Division of the State Architect (DSA), on or before January 1, 2010, to develop criteria for precheck approval processes for solar design plans for a school facility that comply with the rules and regulations adopted by the department and the applicable requirements of the California Building Standards Code. Additionally, the DSA is required to complete a review of solar design plan applications that conform to the standards within 45 calendar days of the receipt of a complete application, and to act on corrected complete applications within 10 calendar days of their submission for approval.	This bill does not require any regulatory action from the SAB.
AB 1908 (Wolk) Chapter 634	Dixon Unified School District: School Farm Property This bill authorizes the Dixon Unified School District to sell excess farmland, as specified. The district is required to utilize the proceeds to deposit a specified reserve in its general fund, and to deposit the remaining amount into its capital outlay fund. The bill specifies the conditions under which the proceeds from the sale may be expended. From July 1, 2008 to June 30, 2010, the district is ineligible to receive financial hardship assistance. In addition, the bill provides that the district is ineligible to receive hardship funding from the State School Deferred Maintenance Fund until all remaining funds from the sale of the property authorized by the bill are exhausted for deferred maintenance or capital outlay purposes. These provisions will be repealed on January 1, 2021.	This bill does not require any regulatory action from the SAB. This bill takes effect immediately as an urgency statute.

BILL	SUMMARY	PRELIMINARY COMMENTS
AB 1948 (Evans) Chapter 636	Education Finance This bill authorizes the Education Audit Appeals Panel to accept an appeal filed one business day late by the Vallejo City Unified School District related to specified findings from the district's 2003-04 local educational agency annual audit. Additionally, the bill extends the date limitation of June 30, 2007 to July 1, 2010 for the district to use proceeds from property sales to reduce or retire an emergency loan. The district is ineligible for financial hardship assistance from June 1, 2004 to June 30, 2010.	This bill does not require any regulatory action from the SAB.
AB 1981 (Huff) Chapter 663	Surplus Property: Chino Valley Unified School District This bill authorizes the Chino Valley Unified School District to sell specified surplus property to the City of Chino Hills, upon the execution of a specified agreement for development of the property into a park. The district is required to remit a prorated share of the proceeds from the sale property to the SAB. In addition, the bill requires the property to revert to the State if the use of the property changes to a use inconsistent with parks and recreation purposes, unless specified conditions are met.	This bill does not require any regulatory action from the SAB.
AB 2033 (Nunez) Chapter 273	School Facilities: Charter Schools This bill revises the manner in which the interest rate for charter school lease payments is determined, and prohibits the School Finance Authority, in consultation with the SAB, from setting the interest rate lower than 2 percent. Charter Schools Facility Program participants that have locked in an interest rate prior to January 1, 2009 may reset their payment schedule based on the interest rate set pursuant to this bill. For program participants executing an agreement on or after January 1, 2009, the bill requires that the interest rate be set upon the execution of the funding agreement, and forbids renegotiation of interest rates without prior approval.	This bill does not require any regulatory action from the SAB.
AB 2197 (Mullin) Chapter 128	School Facilities This bill requires school districts to notify the county superintendent no later than 30 days before approval of certificates of participation, and imposes this notice requirement on other debt instruments that are secured by real property and do not require voter approval. The bill also restricts school districts from utilizing these debt proceeds for general operating purposes. The bill authorizes the county superintendent of schools and the county auditor to comment publicly to the governing board of the school district regarding the capability of the school district to repay the debt obligation.	This bill does not require any regulatory action from the SAB.

BILL	SUMMARY	PRELIMINARY COMMENTS
SB 658 (Romero) Chapter 271	School Facilities This bill phases out the Year-Round School Grant Program (YRSGP) over a 4-year period by reducing grant amounts by 20 percent each fiscal year, commencing with the 2008-09 fiscal year. The bill provides that the funding from the YRSGP shall be reallocated to the Charter School Facility Grant Program. The YRSGP shall be rendered inoperative on July 1, 2013, and shall be repealed on January 1, 2014.	This bill requires the development and implementation of new regulations. The Office of Public School Construction (OPSC) is developing a plan for the implementation of this bill. This bill takes effect immediately as an urgency statute.
SB 1556 (Ducheny) Chapter 723	School Construction This bill authorizes the SAB to permit elementary school districts meeting specified criteria to calculate their eligibility for new construction funding based on a provision that is otherwise applicable only to high school attendance areas.	This bill requires the development and implementation of new regulations. The OPSC is developing a plan for the implementation of this bill.