

AMENDED IN SENATE MAY 22, 2007

AMENDED IN SENATE MAY 15, 2007

AMENDED IN SENATE MAY 2, 2007

**SENATE BILL**

**No. 658**

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**Introduced by Senator Romero**

February 22, 2007

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An act to amend Sections 17071.75 and 17078.27 of the Education Code, relating to school facilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 658, as amended, Romero. School facilities.

(1) The Leroy F. Greene School Facilities Act of 1998 authorizes the State Allocation Board to apportion state funding to applicant school districts for designated school facilities construction purposes.

Existing law establishes a method for calculating a school district's continued eligibility for new construction funding. The act requires an applicant school district for new construction to submit to the board a one-time report of existing school building capacity that is to be calculated pursuant to a specified formula, and requires ongoing eligibility for new construction funding to be determined by completing a series of calculations based on projected enrollment compared to existing school building capacity.

This bill would specify that for a ~~high~~ school district that has experienced 2 consecutive years of a decline in enrollment, that an adjustment in enrollment projections would not result in a loss of ongoing eligibility for 3 years from the date of the approval of eligibility, except as specified.

(2) Existing law establishes the Critically Overcrowded School Facilities Program to provide preliminary apportionments to eligible applicants with critically overcrowded schools. Existing law requires the State Allocation Board to convert the preliminary apportionment to a final apportionment after specified requirements are met.

This bill would require applicants to meet certain new construction or school facilities program eligibility requirements, as specified, for conversion to a final apportionment.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 17071.75 of the Education Code is  
2 amended to read:

3 17071.75. After a one-time initial report of existing school  
4 building capacity has been completed, the ongoing eligibility of a  
5 school district for new construction funding shall be determined  
6 by making all of the following calculations:

7 (a) A school district that applies to receive funding for new  
8 construction shall use the following methods to determine projected  
9 enrollment:

10 (1) A school district that has two or more schoolsites each with  
11 a pupil population density that is greater than 115 pupils per acre  
12 in kindergarten and grades 1 to 6, inclusive, or a schoolsite pupil  
13 population density that is greater than 90 pupils per acre in grades  
14 7 to 12, inclusive, as determined by the Superintendent using  
15 enrollment data from the California Basic Educational Data System  
16 for the 2004–05 school year, may submit an application for funding  
17 for projects that will relieve overcrowded conditions. That school  
18 district may also submit an alternative enrollment projection for  
19 the fifth year beyond the fiscal year in which the application is  
20 made using a methodology other than the cohort survival method  
21 as defined by the board pursuant to paragraph (2), to be reviewed  
22 by the Demographic Research Unit of the Department of Finance,  
23 in consultation with the department and the Office of Public School  
24 Construction. If the Office of Public School Construction and the  
25 Demographic Research Unit of the Department of Finance jointly  
26 determine that the alternative enrollment projection provides a  
27 reasonable estimate of expected enrollment demand, a

1 recommendation shall be forwarded to the board to approve or  
2 disapprove the application, in accordance with all of the following:

3 (A) Total funding for new construction projects using this  
4 method shall be limited to five hundred million dollars  
5 (\$500,000,000) from the Kindergarten-University Public Education  
6 Facilities Bond Act of 2004.

7 (B) The eligibility amount for proposed projects that relieve  
8 overcrowding is the difference between the alternative enrollment  
9 projection method for the year the application is submitted and the  
10 cohort survival method, as defined by paragraph (2), for the same  
11 year, adjusted by the existing pupil capacity in excess of the  
12 projected enrollment according to the cohort survival projection  
13 method.

14 (C) The Office of Public School Construction shall determine  
15 whether each proposed project will relieve overcrowding,  
16 including, but not limited to, the elimination of the use of Concept  
17 6 calendars, four track year-round calendars, or busing in excess  
18 of 40 minutes, and recommend approval to the board. The number  
19 of unhoused pupil grants requested in the application for funding  
20 from the eligibility determined pursuant to this paragraph shall be  
21 limited to the number of seats necessary to relieve overcrowding,  
22 including, but not limited to, the elimination of the use of Concept  
23 6 calendars, four track year-round calendars, or busing in excess  
24 of 40 minutes, less the number of unhoused pupil grants attributed  
25 to that school as a source school in an approved application  
26 pursuant to Section 17078.24.

27 (D) A school district shall use the same alternative enrollment  
28 projection methodology for all applications submitted pursuant to  
29 this paragraph and shall calculate those projections in accordance  
30 with the same districtwide or high school attendance area used for  
31 the enrollment projection made pursuant to paragraph (2).

32 (2) A school district shall calculate enrollment projections for  
33 the fifth year beyond the fiscal year in which the application is  
34 made. Projected enrollment shall be determined by utilizing the  
35 cohort survival enrollment projection system, as defined and  
36 approved by the board. The board may supplement the cohort  
37 survival enrollment projection by the number of unhoused pupils  
38 that are anticipated as a result of dwelling units proposed pursuant  
39 to approved and valid tentative subdivision maps.

1 (b) (1) Add the number of pupils that may be adequately housed  
2 in the existing school building capacity of the applicant school  
3 district as determined pursuant to Article 2 (commencing with  
4 Section 17071.10) to the number of pupils for whom facilities were  
5 provided from any state or local funding source after the existing  
6 school building capacity was determined pursuant to Article 2  
7 (commencing with Section 17071.10). For this purpose, the total  
8 number of pupils for whom facilities were provided shall be  
9 determined using the pupil loading formula set forth in Section  
10 17071.25.

11 (2) Subtract from the number of pupils calculated in paragraph  
12 (1) the number of pupils that were housed in facilities to which  
13 the school district or county office of education relinquished title  
14 as the result of a transfer of a special education program between  
15 a school district and a county office of education or special  
16 education local plan area, if applicable. For this purpose, the total  
17 number of pupils that were housed in the facilities to which title  
18 was relinquished shall be determined using the pupil loading  
19 formula adopted by the board pursuant to subparagraph (B) of  
20 paragraph (2) of subdivision (a) of Section 17071.25. For purposes  
21 of this paragraph, title also includes any lease interest with a  
22 duration of greater than five years.

23 (c) Subtract the number of pupils pursuant to subdivision (b)  
24 from the number of pupils determined pursuant to paragraph (2)  
25 of subdivision (a).

26 (d) The calculations required to establish eligibility under this  
27 article shall result in a distinction between the number of existing  
28 unhoused pupils and the number of projected unhoused pupils.

29 (e) Apply the increase or decrease resulting from the difference  
30 between the most recent report made pursuant to Section 42268,  
31 and the report used in determining the baseline capacity of the  
32 school district pursuant to subdivision (a) of Section 17071.25.

33 (f) For purposes of calculating projected enrollment pursuant  
34 to subdivision (a), the board may adopt regulations to ensure that  
35 the enrollment calculation of individuals with exceptional needs  
36 receiving special education services is adjusted in the enrollment  
37 reporting period in which the transfer occurs and three previous  
38 school years as a result of any transfer of a special education  
39 program between a school district and a county office of education  
40 or a special education local plan area. However, the projected

1 enrollment calculation of a county office of education only shall  
2 be adjusted if a transfer of title for the special education program  
3 facilities has occurred. The regulations, if adopted, shall ensure  
4 that if a transfer of title to special education program facilities  
5 constructed with state funds occurs within 10 years after initial  
6 occupancy of the facility, the receiving school district or school  
7 districts shall remit to the state a proportionate share of any  
8 financial hardship assistance provided for the project pursuant to  
9 Section 17075.10, if applicable.

10 (g) For a school district with an enrollment of 2,500, or less, an  
11 adjustment in enrollment projections shall not result in a loss of  
12 ongoing eligibility to that school district for a period of three years  
13 from the date of the approval of eligibility by the board.

14 (h) For a ~~high~~ school district that has experienced two  
15 consecutive years of a decline in enrollment, an adjustment in  
16 enrollment projections shall not result in a loss of ongoing  
17 eligibility to that school district for a period of three years from  
18 the date of the approval of eligibility by the board. This provision  
19 shall not apply to a school district that has experienced decline in  
20 enrollment greater than 10 percent in either year.

21 SEC. 2. Section 17078.27 of the Education Code is amended  
22 to read:

23 17078.27. (a) Upon completion of the preliminary process  
24 authorized pursuant to this article, and when a preliminary applicant  
25 has complied with the conditions set forth in this chapter for a final  
26 apportionment, including, but not limited to, Section 17070.50,  
27 the board shall adjust the preliminary apportionment as set forth  
28 in subdivision (b) and as necessary to reflect the current eligible  
29 grant amounts for final apportionments pursuant to this chapter  
30 consistent with regulations adopted pursuant to subdivision (c) of  
31 Section 17078.24. The board shall then convert the adjusted  
32 preliminary apportionment to a final apportionment and proceed  
33 to completion of the project in the same manner as for any project  
34 funded under provisions of this chapter other than this article.

35 (b) The board may adjust for cost increases only if uncommitted  
36 funds reserved expressly for the purposes of this article remain  
37 available for those purposes.

38 (c) For purposes of calculating enrollment to determine  
39 eligibility for a final apportionment for a project funded from the  
40 Kindergarten-University Public Education Facilities Bond Act of

1 2002, as set forth in Part 68.1 (commencing with Section 100600),  
2 and the Kindergarten-University Public Education Facilities Bond  
3 Act of 2004, as set forth in Part 68.2 (commencing with Section  
4 100800), an applicant may use one of the following methods as  
5 an alternative to the method provided in subdivision (a) of Section  
6 17071.75:

7 (1) The current year enrollment as recorded on the cohort  
8 survival enrollment projection system described in subdivision (a)  
9 of Section 17071.75, for the year in which the application for the  
10 final apportionment is submitted.

11 (2) (A) If eligibility for the preliminary apportionment was  
12 calculated pursuant to Section 17071.76, the current year or  
13 five-year projected enrollment as recorded on a cohort survival  
14 enrollment projection system, developed and approved by the  
15 board, that uses pupil residence in the high school attendance area,  
16 for the year in which the application for the final apportionment  
17 is submitted.

18 (B) A school district that uses the method described in this  
19 paragraph to calculate enrollment shall also use this method to  
20 calculate enrollment for all applications it submits for final  
21 apportionments for projects for which preliminary apportionments  
22 were approved from the same bond authorization.

23 (d) (1) When a preliminary apportionment is converted to a  
24 final apportionment, the applicant must have current new  
25 construction eligibility sufficient to support at least 75 percent of  
26 the number of pupils for which the applicant received the  
27 preliminary apportionment.

28 (2) In lieu of paragraph (1), if the applicant's enrollment has  
29 decreased to less than 75 percent of the number of pupils for which  
30 the applicant received the preliminary apportionment, the applicant  
31 may use any school facilities program eligibility under this chapter  
32 justified for its conversion to a final apportionment.