REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 23, 2019

PURPOSE OF REPORT

To request that the State Allocation Board (Board) approve a reduction in unused site assessment fees for the Paradise Unified School District (District) as a result of the Camp Fire.

DESCRIPTION

Current statute requires all school districts to report their unused sites to the Board on an annual basis. Using the information provided, the school districts are assessed a fee for each unused site equal to one percent of the value of the site. This item is requesting the Board approve a reduction in unused site assessment fees for two sites within the District given the extraordinary circumstances resulting from the Camp Fire in Butte County.

AUTHORITY

Education Code (EC) Section 17219 states in part:

> (c) The payments required shall be computed by the Executive Officer of the State Allocation Board and certified to the Controller, and payments shall be equal to one one-hundredth (1/100) of the original purchase price of the site modified by either a factor reflecting the change in assessed value of all lands in the state from the date of purchase of the site to the current date or any other factor that in the determination of the State Allocation Board is applicable to the site under consideration.

The full text of EC Section 17219 is included in Attachment A.

BACKGROUND

As required in statue, all school districts are required to report assessed unused school site fees based on a self-certified report submitted to the Office of Public School Construction (OPSC) by July 1, of each year. Staff presents the list for approval annually each December, and the information provided by the districts and approved by the Board authorizes the State Controller's Office to withhold an amount equal to the school sites' total assessed fee, in four equal installments, during the months of February through May as prescribed in statute.

In accordance with these requirements, the District reported two sites as unused as of July 1, 2018 to OPSC. The reporting was before the start, or end, of the tragic Camp Fire that occurred recently in Butte County and destroyed the Paradise community, including multiple school facilities within the Paradise Unified School District boundaries. Four school sites were destroyed and an additional three were impacted by the fire. Only one site was unaffected.

STAFF ANALYSIS/STATEMENTS

Based on the conditions left by the Camp Fire in Paradise, Staff recommends that the Board approve a reduction in unused site assessment fees for two years for the two sites that the District reported in 2018 as unused.

STAFF ANALYSIS/STATEMENTS (cont.)

The District reported the Brakebill (Horace) Elementary and Rosewood School as unused sites as of July 1, 2018 in accordance with the program requirements. Under normal circumstances the District would have been assessed fees in the amount of $14,934 for Fiscal Year 2017/2018 as part of the December 10, 2018 staff report that was approved by the Board. The District's unused sites were not included in that report to allow time for Staff to present this issue separately.

However, statute allows the Board to modify unused site fees/payments under certain conditions. EC Section 17219 (c) states that "[…] payments shall be computed by the Executive Officer of the State Allocation Board […] equal to (1/100) of the original purchase price of the site modified by […] *any other factor* that in the determination of the State Allocation Board is applicable to the site under consideration." (*Emphasis added)*

Staff believes that the severity of the destruction of school facilities, and the community, caused by the Camp Fire is an applicable factor for the Board to consider making a determination to reduce the previously calculated unused site fees from $14,934 to $0. As recovery from the fire is unlikely to be completed within the next year, Staff recommends that the Board approve a reduction in unused site assessment fees for two years to provide the District with a reprieve from an undue burden during this most critical time of community recovery.

RECOMMENDATION

Approve a reduction in unused site assessment fees for 2017/2018 and 2018/2019 to $0 for Paradise Unified School District's Horace Brakebill Elementary and Rosewood school sites as shown in Attachment B.

ATTACHMENT A

AUTHORITY

Education Code Section 17219

(a) Whenever a school district acquires or has acquired a site for school purposes, as determined by the State Allocation Board, and does not use the site within

(1) five years of the date of acquisition for the kindergarten, if any, and any of grades 1 to 8, inclusive, maintained by an elementary school district or a unified school district, or,

(2) seven years of the date of acquisition for any of grades 7 to 12, inclusive, maintained by a high school district or a unified school district, or if a school district has a site at any grade level that has previously been used but has not been used for school purposes within the preceding five years, the school district shall be subject to nonuse payments, unless the State Allocation Board, from time to time, makes a determination that the school district will utilize the property for the purpose for which it was intended within a reasonable period of time, in a specific amount for each additional year in which the site is retained and not used by the district beyond the foregoing specified periods, except the first additional year shall be deemed to end not earlier than April 30, 1973.

(b) Payment shall not be required under this section as to any site having a value of twenty thousand dollars ($20,000) or less. Commencing on January 1, 1988, and annually thereafter, the State Allocation Board shall increase this exemption figure by the amount of the current fiscal year inflation adjustment specified in Section 42238.1, if any.

(c) The payments required shall be computed by the Executive Officer of the State Allocation Board and certified to the Controller, and payments shall be equal to one one-hundredth (1/100) of the original purchase price of the site modified by either a factor reflecting the change in assessed value of all lands in the state from the date of purchase of the site to the current date or any other factor that in the determination of the State Allocation Board is applicable to the site under consideration.

(d) Whenever the State Allocation Board has determined that a school district in good faith has, within the preceding year, advertised the schoolsite for sale to the highest bidder pursuant to the provisions of Article 4 (commencing with Section 17455) of Chapter 4 of Part 10.5 and has received no bids that in the judgment of the State Allocation Board reflect the fair market value of the property, the Executive Officer of the State Allocation Board shall not compute any nonuse payments for the site for a period of one year beyond the date of the determination.

(e) Nonuse payments shall not be required for any year with respect to a schoolsite that for one-half or more of the number of days of that year has been utilized for any of the following purposes:

(1) By the school district, or by any other governmental entity pursuant to agreement with the school district, for school purposes, for use as a civic center, or for community playground, playing field, or other outdoor recreational purposes. "Civic center," for this purpose, means a site used for one or more of the purposes described in Section 40041.

(2) By the State Allocation Board, pursuant to agreement with the school district, for the storage of emergency portable classrooms.

(3) By the school district, or by any other public or private entity pursuant to agreement with the school district, for the operation of a child care program.

(f) Nonuse payments shall not be required for any year with respect to a schoolsite that was leased at least one-half of the days in that year in a manner that subjected the site to property taxes equal to the taxes that would have been paid if the site had been sold.

Attachment B
Unused Sites Assessments
Fiscal Year 2017/2018

COUNTY DISTRICT SITE			ASSESSED VALUE	ANNUAL PAYMENT
BUTTE				
	61531 PARADISE UNIFIED			
		BRAKEBILL (HORACE) ELEMENTARY (Unknown)	$156,111	$1,561
		ROSEWOOD (065-270-003-000)	$1,337,264	$13,373

		PARADISE UNIFIED TOTAL:		$14,934
		2017/2018 REDUCTION:		-$14,934

		DISTRICT TOTAL:		**$0**