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# County School Facilities Consortium Summit

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# Coalition for Adequate School Housing (C.A.S.H.)

## Metamorphosis of the School Facility Program

Efforts on Interpreting and Implementing the  
Actions of the State Allocation Board on  
the Future School Facility Program

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Legislative Director



- › The Board took action to remove any question of liability of the State to fund future projects.
- › The Board action allows the acceptance of project applications from school districts and county offices of education, and presumably charter school entities.

- › The Board took NO action on the matter of processing eligibility documentation.
  - Government Code 65995 states that if no action is taken by the Board within 120 days of filing an application it is thereafter deemed approved.
  - New Construction eligibility under such “no action” will allow eligibility calculations to be accurate for Level II developer fee purposes as determined by districts.

- Modernization eligibility will be treated in the same manner.
- Local developers may take issue with documentation prepared under existing rules (these have not changed) for New Construction and Modernization eligibility which become the foundation for the developer fee calculated. This may not be seen as a Board issue yet the statute involves the Board's inaction which thus draws liability to the Board.

- › The Board action, based upon the discussion prior to action, was focused upon the New Construction and Modernization Programs yet it will impact the other programs. How will these be handled?

- ORG has \$220 million remaining for actual PIF approval and apportionments;
- SMP has \$194 million on the discussion prior to action, was focused upon the New Construction and Modernization;
- CTE will likely have funds returned due to the no savings regulation;
- High Performance will be stagnant unless that single part of a project can be actually funded for a project;
- Charter projects have funds that may become available.

- › The Financial Hardship Program in the absence of SFP funds being available allows school districts to issue Certificates of Participation (COP's) or otherwise borrow funds to advance projects without loss of financial hardship status. How will this function of the Program work under Board action?
- › What level of risk will County Offices assume?



- › Projects eligible for Facility Hardship have funding priority (placed at the top of funding lists for Board action) under the Board's direction in that these projects represent structurally unsafe buildings, emergency circumstances, and healthy and safety matters. Will this practice continue through the use of bond funds retrieved and otherwise collected under the Program?

- › The Priorities in Funding regulations of the Board are still active. The expectation is therefore that as funds are retrieved and otherwise collected by OPSC that such funds will be apportioned under the Priorities in Funding regulations of the Board.

- › If the Board takes action on the “Deadwood” projects it will be expected that the released bond authority will be used too under the Priorities in Funding rules.

- › An issue will arise that as districts build new schools and classrooms under the new Board rules that these schools and classrooms will be occupied. Under existing Board regulations occupancy prior to Board approval denies any chance of future funding. How will OPSC proceed in the future under these likely circumstances?

- › How shall districts proceed with the new Compliance Monitoring Unit (CMU) requirements under the recent Board action? If we are to presume that the SFP will not be the same program are we to assume that the CMU regulations as adopted by the Board will also not be the same? If there is no guarantee of state funds for projects under the new rules districts will question the burden of the expenditure of 100% of the costs of the CMU without any guarantee of state future reimbursement. Such will be a mandate.

# Questions?

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