



# Applications Received Beyond Bond Authority

January 2013

# Background

- The OAL approved SFP Regulation section 1859.95.1 on November 1, 2012. The regulations impact the way applications are processed by the OPSC once bond authority is no longer available to fund them.

# Impacted Applications

- Applications received on or after November 1, 2012, will not be fully processed nor be approved by the SAB. OPSC will determine if the application is complete, then place the application on a new, informational list called the “Applications Received Beyond Bond Authority List” for SAB *acknowledgement*.

# Application Requirements

The regulations require the following new documents:

- In addition to the supporting documents currently required with the *Application for Funding* (Form SAB 50-04), a resolution from the governing board of the school district must be included.
- Statements to be included on the resolution are listed in the proposed Regulation section 1859.95.1(b)(1) through (5). A district seeking Financial Hardship funding must also included the statement in Regulation Section 1859.95.1(b)(6).

# Eligibility Documents

The OPSC will review eligibility documents for completeness, but will not process them for SAB approval.

- Districts are still required to submit the *Enrollment Certification/Projection* (Form SAB 50-01) and all required documents for the year of any submitted new construction *Application for Funding* (Form SAB 50-04).
- Districts may submit an *Eligibility Determination* (Form SAB 50-03) to update modernization eligibility. The forms will not be fully processed under the new regulations.

# Financial Hardship Approvals

- The new regulations suspend the requirement for FH pre-approval from the OPSC. Districts may submit an *Application for Funding* that includes a request for FH apportionment.
- The school board resolution must include an additional acknowledgement that FH approval will be required before the application can be processed to the SAB.



# Application Processing

	Unfunded List (Lack of AB 55 Loans)	"True" Unfunded List	"Acknowledged" List
<b>New Construction</b>	Applications Received Prior to July 12, 2012*	Applications Received July 13, 2012* - October 31, 2012	Applications Received on or after November 1, 2012
	Unfunded List (Lack of AB 55 Loans)	"True" Unfunded List	"Acknowledged" List
<b>Modernization</b>	Applications Received Prior to May 3, 2012*	Applications Received May 4, 2012* - October 31, 2012	Applications Received on or after November 1, 2012
	Unfunded List (Lack of AB 55 Loans)	"True" Unfunded List	"Acknowledged" List
	<ul style="list-style-type: none"> <li>✗ Fully processed by OPSC</li> <li>✗ SAB approved</li> <li>✗ Waiting for an Apportionment through Priority Funding round</li> </ul>	<ul style="list-style-type: none"> <li>✗ Fully processed by OPSC</li> <li>✗ SAB approved</li> <li>✗ No guarantee of future funding or bond authority</li> <li>✗ Could be placed on "Lack of AB 55 Loans" List if bond authority becomes available under current program.</li> </ul>	<ul style="list-style-type: none"> <li>✗ School board resolution required with submittal of application</li> <li>✗ Accepted but not processed by OPSC</li> <li>✗ SAB acknowledges but does not approve</li> <li>✗ No guarantee of future funding or bond authority</li> </ul>

Applications on this "Acknowledged" List have no guarantee of future funding. If bond authority under the current program is sufficient to fund these projects, they could be processed to the Unfunded List (Lack of AB 55 Loans). If a school facilities program is approved in the future, it is unknown whether these projects will be processed or eligible for funding under the new criteria. \*These dates are estimated.

# Unfunded List (Lack of AB 55 Loans)

## Sample Funding Shell

HISTORY OF PROJECT COST AND APPORTIONMENT					
	Fund Code	Proposition	Previously Authorized	Authorized This Action	Unfunded Approval This Action
<u>State Share</u>					
New Construction/Add. Grant	955-500	55	\$	\$ 19,188,989.00	\$ 19,188,989.00
<u>District Share</u>					
Cash Contribution				19,188,989.00	
Total			\$	\$ 38,377,978.00	\$ 19,188,989.00

**Funding Source: Proposition 55 Bonds/2004-Mar.**

Pursuant to the Board's action on March 11, 2009, this application has been approved and placed on the Unfunded List.

This approval does not constitute a guarantee or commitment of future State funding.

Assembly Bill 436 (Solario), Chapter 378, Statutes of 2011, requires school districts to notify the Department of Industrial Relations (DIR) of School Facility Program projects with a public works contract awarded on or after January 1, 2012. Except for projects exempt pursuant to Labor Code Section 1771.3(b)(3), the DIR is required to provide prevailing wage monitoring services for the projects.

The District shall ensure that it is in compliance with all applicable laws, regulations and certifications it made on the program forms.



# “True” Unfunded List Sample Funding Shell

HISTORY OF PROJECT COST AND APPORTIONMENT				
	Fund Code	Previously Authorized	Authorized This Action	Unfunded Approval This Action
<u>State Share</u>				
Modernization/Additional Grant	112-012	\$	\$ 259,210.00	\$ 259,210.00
<u>District Share</u>				
Cash Contribution			172,807.00	
Total		\$	\$ 432,017.00	\$ 259,210.00

Pursuant to School Facility Program Regulation Section 1859.95 this application has been approved and placed on the Unfunded List.

This approval does not constitute a guarantee or commitment of future State funding and should not be relied on in any manner as any kind of representation or indication of future State funding. The State cautions any kind of reliance on the fact that an application is placed on this list.

Assembly Bill 438 (Solorio), Chapter 378, Statutes of 2011, requires school districts to notify the Department of Industrial Relations (DIR) of School Facility Program projects with a public works contract awarded on or after January 1, 2012. Except for projects exempt pursuant to Labor Code Section 1771.3(b)(3), the DIR is required to provide prevailing wage monitoring services for the projects.

The District shall ensure that it is in compliance with all applicable laws, regulations and certifications it made on the program forms.

# OPSC Website

The OPSC website has a dedicated web page, ***Applications Received Beyond Bond Authority***, that has further information on the new regulations that includes:

- Timeline showing which list an *Application for Funding* will be placed on, depending on OPSC received date.
- Sample school board resolution
- Frequently Asked Questions

# QUESTIONS?

