EXECUTIVE OFFICER STATEMENT
State Allocation Board Meeting, August 20, 2014

EMERGENCY REPAIR PROGRAM

In this agenda, the State Allocation Board (Board) will approve funding for 489 Emergency Repair Program (ERP) projects. These projects total $93.4 million for 54 local education agencies. Fund releases for these projects will be automatically processed to the recipients. Local Education Agencies receiving an apportionment typically receive the funds 4-5 weeks after the SAB action. In total the State's budget provided $188.5 million to fund ERP projects. Staff expects the remaining amount to become available as early as October. Staff will present additional projects to the next available board meeting once funds are available.

PRIORITY FUNDING APPORTIONMENTS

This agenda also includes $100.5 million in priority funding apportionments for 34 projects representing 21 school districts. Districts that receive a priority funding apportionment on August 20, 2014 will be required to submit a valid *Fund Release Authorization* (Form SAB 50-05) containing an original signature by **Tuesday, November 18, 2014**. If the Form SAB 50-05 is not physically received at the Office of Public School Construction (OPSC) by 5:00 PM on Tuesday, November 18, the project will be rescinded without further Board action and may be returned to the Unfunded List (Lack of AB 55 Loans) with a new approval date of Tuesday, November 18, 2014, unless the school district receives a second non-participation occurrence. Any project receiving a second non-participation occurrence will be rescinded without further Board action.

STATUS OF FUND RELEASES FOR PRIORITY FUNDING APPORTIONMENTS

April 7, 2014 Apportionments
The Board approved $372.2 million in priority funding apportionments for 105 projects and 43 school districts on April 7, 2014. Districts that received a priority funding apportionment were required to submit a valid *Fund Release Authorization* (Form SAB 50-05) containing an original signature by Monday, July 7, 2014.

As of Monday, July 7, 2014, OPSC received 98 Forms SAB 50-05 in the amount of $357.0 million. Two projects received automatic fund releases and did not require the submittal of Form SAB 50-05. These two projects represent a total of $1.4 million in apportionments.

If the Form SAB 50-05 was not physically received at OPSC by 5:00 PM on Monday, July 7, 2014, the project either returned to the Unfunded List (Lack of AB 55 Loans) with a new approval date of Monday, July 7, 2014 or was rescinded without further Board action depending on whether or not one of these has already occurred.

Five districts, representing five projects, did not submit a *Fund Release Authorization*. Two of them returned to the Unfunded List (Lack of AB55 Loans) and two others received a second occurrence for non-participation in the priority funding process and were rescinded. The last district voluntarily rescinded its project. As a result, the bond authority associated with these three rescinded projects was returned to the respective programs and was made available for re-allocation to other projects.

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REQUIREMENTS FOR PARTICIPATION IN PRIORITY FUNDING

OPSC reminds school districts that the requirements for Participation in the Priority Funding Process are in effect (SFP Regulation Section 1859.90.3). There are two ways for a school district to not participate in the priority funding process as follows:

- Not submit a valid priority funding request in the 30-day filing period, or
- Submit a valid priority funding request but fail to submit a valid *Fund Release Authorization* (Form SAB 50-05) to request the release of funds after the Board approves an apportionment.

The second time that either of these occurs, the funding for the project will be rescinded without further action by the Board. For additional information, please refer to the Procedures for School Facility Program Funding.

REGULATION UPDATE – PARTICPATION IN PRIORITY FUNDING

At the March 26, 2014 meeting, the Board approved amendments to the SFP Regulation requirements for Participation in the Priority Funding Process. These amendments require the Career Technical Education Facilities, Charter School Facilities and Overcrowding Relief Grant Programs projects to participate in the priority funding process set forth in SFP Regulation Section 1859.90.3. Based on information received from the Office of Administrative Law, Staff anticipates these regulations being in effect on October 1, 2014.

STATE ALLOCATION BOARD MEETING SCHEDULE

Staff is currently working on scheduling the next Board meeting. Therefore, it is possible that the tentative September 24, 2014 meeting may be canceled or postponed.