EXECUTIVE OFFICER STATEMENT
State Allocation Board Meeting, October 16, 2014

STATUS OF FUND RELEASES FOR PRIORITY FUNDING APPORTIONMENTS

The State Treasurer's Office held a general obligation bond sale on October 7, 2014. The School Facility Program received $73 million as anticipated in the August Priority Funding Apportionment item. On August 20, 2014, the Board approved $100.2 million in priority funding apportionments for 34 projects and 21 school districts. Those school districts that received a priority funding apportionment are required to submit a valid *Fund Release Authorization* (Form SAB 50-05) containing an original signature by Tuesday, November 18, 2014.

As of October 3, 2014, OPSC received 13 Forms SAB 50-05 in the amount of $22.7 million. Three projects received automatic fund releases and did not require the submittal of Form SAB 50-05. These three projects represent a total of $940.9 thousand in apportionments.

If the Form SAB 50-05 is not physically received at OPSC by 5:00 PM on Tuesday, November 18, 2014, the project will either be returned to the Unfunded List (Lack of AB 55 Loans) with a new approval date of November 18, 2014 or will be rescinded without further Board action depending on whether or not the school district has already received one of these occurrences for non-participation.

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The second time that either of these occurs, the funding for the project will be rescinded without further action by the Board.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 – PARTICIPATION IN PRIORITY FUNDING

SFP Regulation Requirements for Participation in the Priority Funding Process (Section 1859.90.3) now require the Career Technical Education Facilities (CTEFP), Charter School Facilities (CSFP) and Overcrowding Relief Grant (ORG) Programs projects to participate in the priority funding process. These regulations became effective on October 1, 2014.

Staff would like to remind all school district's that received CTEFP, CSFP, and ORG apportionments at the August 20, 2014 Board meeting and do not submit a valid Form SAB 50-05 by 5:00 PM on November 18, 2014 that the project will be returned to the Unfunded List (Lack of AB 55 Loans) with a new approval date of November 18, 2014. Any CTEFP, CSFP or ORG project that returns to the Unfunded List (Lack of AB55 Loans), as well as those projects currently on this list, are subject to these requirements. Therefore, if a school district does not submit a request to participate in the next priority funding filing round scheduled to begin on November 12, 2014 and to close on December 11, 2014, the project will receive an occurrence for non-participation. CTEFP projects that were approved with a reservation of funds have an additional 12 months to submit the necessary California Department of Education and Division of the State Architect approvals.

The OPSC will provide extensive outreach to inform all school districts of these new requirements, including, but not limited, to email messages, website notifications, articles in the next edition of the Building Blocks publication, and presentations at upcoming County Office of Education Facility Planning meetings.