

PROCEDURES FOR SCHOOL FACILITY PROGRAM FUNDING

Priority Funding Background

The priority funding (PF) process was created to allow projects that receive unfunded approval by the State Allocation Board (SAB) and are placed on the Unfunded List (Lack of AB 55 Loans) to receive an apportionment with accelerated timelines.

School Facility Program (SFP) Regulation Section 1859.90.2 requires a school district to submit a written statement that requests to convert the unfunded approval to an Apportionment. Projects on the Unfunded List (Lack of Bond Authority) cannot make this request. Any priority funding requests received for projects on the Unfunded List (Lack of Bond Authority) will be returned to the district.

As bond sales take place or cash becomes available, districts that have submitted a request for the appropriate six-month period will be eligible for PF apportionments.

Effective October 1, 2014, SFP Regulations were amended to require projects qualifying under the Overcrowding Relief Grant, Career Technical Education Facilities Program (CTEFP), and Charter School Facilities Program to participate in the PF process.

For CTEFP projects, the regulatory amendments would maintain the 12-month period pursuant to Section 1859.193(d), providing applicants time to acquire California Department of Education (CDE) and Division of the State Architect (DSA) approvals; however, the 12-month period would begin on the date of apportionment. Receipt of the CDE and DSA approved plans and specifications would trigger the 90-day period for the application to meet the requirements of a PF apportionment fund release. If an applicant does not submit the required CDE and DSA approvals within the 12-month period, the apportionment will be rescinded without further SAB action, and the returned CTEFP bond authority will be available to the SAB for reallocation to SFP Modernization and New Construction projects.

Nonparticipation in PF Regulations

SFP regulations currently include requirements for districts with projects on the Unfunded List (Lack of AB 55 Loans) to participate in the PF process or risk having their project(s) rescinded. The purpose is to avoid having limited bond authority reserved for projects that are not being moved forward.

There are two ways for a school district to choose not to participate in the PF process. Not submitting a valid PF request in the 30-day filing period, or submitting a valid PF request but failing to submit a valid *Fund Release Authorization* (Form SAB 50-05) to request the release of funds within 90 days after the SAB approves an Apportionment. Either one of

these will be considered a nonparticipation “occurrence” as specified in SFP Regulation Section 1859.90.3.

Any project that incurs two nonparticipation occurrences will be removed from the Unfunded List (Lack of AB 55 Loans), and the PF Apportionment will be rescinded without further SAB action.

PF Request Periods

SFP regulations established two PF request filing periods per year for projects on the Unfunded List (Lack of AB 55 Loans) to receive apportionments. Each period has a 30-day request submittal window.

The two annual PF filing periods begin on the 2nd Wednesday of May and the 2nd Wednesday of November.

- Filing periods are for 30 calendar days.
- Requests submitted during a filing period beginning with the 2nd Wednesday of May are valid from July 1 until December 31 of that year.
- Requests submitted during a filing period beginning with the 2nd Wednesday in November are valid from January 1 until June 30 of the following year.
- Requests must be physically received by the Office of Public School Construction (OPSC) by 5:00 p.m. on or before the 30th calendar day of each filing period to be considered valid.

Procedure for Participation in the PF Process

The following outlines the procedures and requirements for districts to take advantage of the PF process:

1. Districts opting to participate in the PF process must submit a request to convert an unfunded approval to an Apportionment. All requests must be submitted to the following address:

Office of Public School Construction
Subject: Priority Funding Round
707 Third Street
West Sacramento, California 95605

It is recommended that districts monitor any mailed requests by tracking the parcel and receiving delivery confirmation.

2. The request to convert an unfunded approval to an Apportionment, signed by an authorized District Representative, must include each of the project application numbers and must state the following:

Use these three statements in your Priority Funding request – for Career Technical Education Facilities Program projects granted an approval without CDE and/or DSA approved plans.

- The district acknowledges that failure to submit CDE and DSA approved plans and specifications within 12 months of the date of the Apportionment will result in the project being rescinded without further action by the SAB.
- The district understands that, upon submission of the CDE plan approval and the DSA approved plans to the OPSC, the district has an additional 90 days to meet all of the requirements of a Priority Funding apportionment fund release.

(Note: The district has *up to* 12 months to submit the CDE plan approval and DSA approved plans to the OPSC, but may submit them prior to 12 months. Regardless of when the approved plans are received by the OPSC (within the 12 month limit), the district has 90 days from the OPSC received date of the CDE and DSA approved plans to meet the requirements of a Priority Funding apportionment fund release.)

- The district acknowledges that by participating in the priority funding round, the district is waiving its right to a standard 18-month timeline for fund release submittal.

Use these three statements in your Priority Funding request – for all other projects.

- The district understands that the time limit on fund release shall be no more than 90 days from the date of Apportionment.
- The district acknowledges that failure to submit a completed Form SAB 50-05 within the 90-day period will result in the project being rescinded without further action by the SAB. A rescinded application will revert back to an unfunded approval at the bottom of the unfunded list and cannot be guaranteed bonding authority. The application will receive a new unfunded approval date equivalent to the due date of the Form SAB 50-05. In the case that multiple rescissions are made by the SAB, each separate application will be placed at the bottom of the unfunded approvals list in the order of the original unfunded approval date. The district will not be required to resubmit the application and no further application review will be required.

(Example: Two applications are rescinded with unfunded approval dates of January 27, 2010 and February 24, 2010. The application that received an unfunded approval on January 27 would be placed on the unfunded list first, followed by the application that received an unfunded approval on February 24).

- The district acknowledges that by participating in the priority funding round, the district is waiving its right to a standard 18-month timeline for fund release submittal.
3. Districts may request an apportionment for Design Only applications under the PF process. Design Only applications receiving an apportionment will receive an automatic fund release without submitting a Form SAB 50-05; however, Design Only applications must still submit a request to convert an unfunded approval to an Apportionment which contains all of the statements outlined in Section 2.
 4. Financial Hardship districts with projects on the unfunded approvals list that wish to participate in the PF filing period must undergo a review of their financial records to determine if they have any additional funds available to contribute to their project(s) prior to receiving an actual Apportionment. For projects added to an unfunded list between February 25, 2009 and June 30, 2011, only the district's revenue received on or after July 1, 2011 will be considered in the calculations of available funds. Projects added to an unfunded list after July 1, 2011 will be subject to a review of additional funds available.
 5. Any requests to participate in the PF process not converted to Apportionments shall retain their date order position on the unfunded approvals list. Request letters of projects not converted to Apportionments will not be returned to the district or kept by the OPSC.
 6. The OPSC cannot accept request letters during a PF request period for any projects placed on the Unfunded List (Lack of Bond Authority).

The PF process was created to allow projects that received an Unfunded Approval (Lack of AB 55 Loans) to receive an Apportionment with accelerated timelines. SFP Regulation Section 1859.90.2 requires a school district to submit a written statement that requests to convert the unfunded approval to an Apportionment. Projects on the Unfunded List (Lack of Bond Authority) cannot make this request. Any PF requests received for projects on the Unfunded List (Lack of Bond Authority) will be returned to the district.

Future PF List Terms

7. Dates of recent and upcoming request periods are shown below:

Ninth PF Request Period

- Filing Period Begins: May 13, 2015
- Filing Period Ends: June 11, 2015
- Requests are Eligible for Apportionment: July 1, 2015 through December 31, 2015

Tenth PF Request Period

- Filing Period Begins: November 11, 2015
- Filing Period Ends: December 10, 2015
- Requests are Eligible for Apportionment: January 1, 2016 through June 30, 2016

Fund Release Authorizations

8. *For all applicable programs except CTEFP:* From the date that the SAB converts its unfunded approval to an Apportionment, the district will have 90 days to submit a completed Form SAB 50-05 that meets all of the existing requirements.

For Career Technical Education Facilities Program projects: From the date that the SAB converts its unfunded approval to an Apportionment, the district will have 12 months to submit CDE and DSA approved plans and specifications for the project. From the date the OPSC receives the CDE and DSA approved plans and specifications, the district will have 90 days to submit a completed Form SAB 50-05 that meets all of the existing requirements.

The Form SAB 50-05 submittal must contain an original signature from a designated District Representative and must be physically received by the OPSC at:

Office of Public School Construction
707 Third Street
West Sacramento, California 95605

The Form SAB 50-05 must be delivered to OPSC prior to the close of business on the 90th day. Projects that fail to meet this deadline shall be rescinded with no further action by the SAB. A rescinded application will revert back to an unfunded approval at the bottom of the unfunded approvals list and cannot be guaranteed bonding authority. The new unfunded approval date will be equivalent to the due date of the Form SAB 50-05.