Webinar Questions and Answers

Financial Hardship Re-Reviews

Presented October 12, 2011

Questions	Answers
Will any extensions of the deadline be granted in order to compile the needed documents?	The Office of Public School Construction (OPSC) will not deny any requests for extensions to gather the needed documents for a Financial Hardship (FH) re-review. However, keep in mind that the OPSC processes complete packages in date order received. Therefore, the longer a district takes to submit a complete FH re-review package, the further down on the workload list the package will be. The goal of the OPSC is to process all packages in the timeliest manner possible so that all projects will be ready to receive an apportionment if and when funding becomes available.
What if we do not have any Capital Outlay Funds?	If the district does not have any Capital Facility related funding it may indicate this on the checklist it submits for the re-review. The district can mark "No" for each question in Section I (Funding Sources) and under Section II (Evidence Required), the district should indicate why it is not submitting any of the fund worksheets or General Ledger detail reports. The district will need to submit audited financial statements and/or general ledger reports to confirm that there is no Capital Facility related funding available. The district should also state that it has no Capital Facility related funds in the cover letter.
In regard to funding, since this is a re-review, will awards be adjusted upward to address cost increases in materials, labor, etc. Like a COLA?	The FH re-review is only a review to determine if the district can contribute additional funding to its project(s) on the unfunded list. This review does not increase or decrease the overall approved project cost. For example: All School Facility Program (SFP) New Construction projects feature a 50 percent State apportionment and 50 percent district contribution. The 50 percent district contribution can be all cash contribution by the district, all FH apportionment, or a combination of the two.

	Here is an example of a $10 million SFP FH project: Project Financing: State Apportionment: $5,000,000 District Share: Cash Contribution $1,000,000 Financial Hardship $4,000,000 Total Project Cost: $10,000,000 The FH re-review will never increase or decrease the overall $10 million project cost. It would only potentially change the ratio between the district "cash contribution" and the FH apportionment. If the re-review found $100,000 in additional available funding, the updated ratio would be $1,100,000 in cash contribution and an FH apportionment of $3,900,000. Yet, this would not change the state apportionment amount of $5,000,000 or the overall project cost of $10,000,000.
If after three years a project receives its final apportionment, would it still need an FH Re-Review?	No. Once a project receives its final apportionment, no additional FH re-reviews would be necessary. These re-reviews are only necessary for FH projects which are on the unfunded list for more than 180 days and are competing in the current priority funding round. Once a project receives an apportionment, it is taken off of the unfunded list. However, the district may have to undergo an additional re-review in the future if it has additional projects remaining on the unfunded list.