

REPORT OF THE EXECUTIVE OFFICER  
State Allocation Board Meeting, March 24, 1999

OFFSET OF APPORTIONMENT

PURPOSE OF REPORT

To develop a policy to ensure that previously allocated state funds made on priority one projects under the Lease-Purchase Program (LPP) are offset against any apportionment made under the School Facility Program (SFP) for the same project.

DESCRIPTION

Senate Bill (SB) 50, Chapter 407, Statutes of 1998, and the State Allocation Board regulations require that priority two projects eligible for grandfathering to the SFP must have any prior LPP apportionment offset against future SFP apportionments. This provision was included in order to assure there was no duplication of state funding for the same project under the LPP and the SFP. The provisions of SB 50 clearly required that this offset be made for priority two grandfathered projects; however, it was silent regarding priority one grandfathered projects and all non-grandfathered, regardless if priority one or two.

To assure that all priority one grandfathered projects and all non-grandfathered projects which received funding under the LPP do not receive duplicative funding under the SFP, the following interim policy is proposed until "clean-up" legislation is passed regarding this issue.

RECOMMENDATIONS

1. Provide that districts receiving SFP funding for grandfathered priority one and non-grandfathered priority one and two projects which received a partial LPP apportionment for the same project, one of the following will occur:
  - Agree to accept an offset of the SFP grant apportionment by the amount of the LPP apportionment.
  - Agree to rescind the LPP project apportionment and return the funds to the state.
2. Provide that when a district submits its application for SFP funding, it shall be deemed that the district agreed to an offset of the SFP grant.

This Item was approved by the State Allocation Board on March 24, 1999.