



August 6, 2008

TO: ALL DISTRICT SUPERINTENDENTS AND COUNTY OFFICES OF EDUCATION
SUBJECT: FINANCIAL HARDSHIP PROGRAM PROCESS IMPROVEMENTS

The Office of Public School Construction (OPSC) has been diligently working with representatives from school districts (districts) and county offices of education (COEs) in developing process improvements for Financial Hardship (FH) Program reviews. In response to our meetings with representatives, beginning on September 1, 2008, the OPSC will implement: (1) newly revised FH checklists, which define necessary documentation OPSC requires for FH reviews; and (2) a two-tier review process for the FH Program. The first review will use a newly revised "Phase I" checklist and supporting documentation to determine if FH eligibility criteria are met. An applicant must pass this review before moving forward to the second review. The second review will use a newly revised "Phase II" checklist and supporting documentation to determine the amount of district contribution to projects.

The new checklists and review process will provide the following benefits:

- a more streamlined review process;
- clearer definition of required documentation to be submitted;
- more current and up-to-date documentation and an expedited review by OPSC;
- reduced workload for both applicants and OPSC; and
- improved response and completion time for FH reviews.

The new process workflow is described on page two. The Phase I checklist is the same for both districts and COEs. There are separate Phase II checklists for districts and COEs. These checklists are attached and are available on the OPSC Web site at www.opsc.dgs.ca.gov

If you have any questions on the new FH checklists or review procedure, please contact Jason Hernandez at jason.hernandez@dgs.ca.gov or by phone at (916) 324-4687 or Keith Jung at keith.jung@dgs.ca.gov or by phone at (916) 322-0140.

Sincerely,

Dave Zian
Chief, Fiscal Services
Office of Public School Construction

Attachments

cc: District Representatives

New FH review procedures consist of the following (for both initial and renewal reviews):

Phase I – Determine FH eligibility criteria are met

- 1) Applicant submits Phase I FH Checklist and appropriate documentation.
- 2) Phase I FH package is reviewed to determine if it can be accepted to the workload list.
 - a. Acceptance letter sent to applicant for complete package. FH package is added to the FH workload list; or
 - b. Deficiency letter sent to applicant identifying missing items.
- 3) FH Review is assigned to an OPSC auditor. Auditor reviews documentation to determine if district meets qualifying criteria.
- 4) If OPSC determines that the district is eligible for FH, OPSC will notify the district of its eligibility by sending a contact letter requesting a Phase II checklist and appropriate documentation to determine available funds.

Phase II – Determine available funds and amount of district contribution to projects

- 1) Within 90 days of notification of passing the Phase I review, an eligible district must clearly identify any available funds it can contribute as matching share and submit Phase II FH Checklist with appropriate documentation to confirm available funds and district contribution. The documentation can be no older than 30 days prior to the district's submission of documentation. If the district does not submit the information within 90 days, then the FH application will be returned.
- 2) If the review of available funds has not concluded within 60 days from the receipt of complete documentation by OPSC, the district will submit a one-time update of documentation.
- 3) OPSC determines any available funds and the review findings are sent to the district.
- 4) District concurs with the OPSC findings by submitting a signed Summary of Available Funds worksheet to the OPSC.
- 5) Upon receipt of district's concurrence with OPSC's findings, FH status commences and a FH approval letter is sent to the district.
- 6) Districts may then submit application(s) for apportionments (form SAB 50-04) to the OPSC.