

at the crossroads

school building

OFFICE OF
PUBLIC
SCHOOL
CONSTRUCTION

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STATE OF THE MONEY:

Schools, Jobs, Priorities & Bonds

An honest appraisal of the financial picture of school funding, challenges in getting shovel-ready projects moving, issues with the unfunded list, adjustments to priority, local matches and district limitations.

Remaining Bond Authority

With the State's current financial situation and no future school facilities general obligation bond in sight, there are concerns about whether the State will be able to fulfill school districts' future facilities needs.

Until another statewide general obligation bond is authorized by the voters, School Facility Program (SFP) funding is limited to the remaining bond authority.

Considering the workload currently in process and average rates of funding, bond authority will be exhausted for certain programs in the near future, yet other programs are undersubscribed.

Consideration must be given to most effectively utilizing the remaining bond authority, particularly until negotiations are underway for the next statewide school facilities bond.

Funding Order / Priorities

The current practice for making apportionments allows no consideration for whether school districts are ready to proceed with construction, limiting the ability to prioritize projects, stimulate the economy, and create jobs.

Despite the current availability of cash, many school districts with State Allocation Board (SAB) approved apportionments are not in a position to immediately submit a fund release request, tying up available funds for other projects and potentially jeopardizing future SFP funding availability.

On May 12, 2010, the SAB Priorities in School Construction Funding Subcommittee will further discuss options for modifying the current method of providing apportionments.

It is anticipated that an item to alter the current funding model will be presented at the May 26, 2010 SAB meeting.