

Webinar Questions and Answers

Part VI: Financial Hardship

Presented May 16, 2011

Questions	Answers
<p>Are there common mistakes you see in applications submitted by districts?</p>	<p>The biggest issue we encounter in a Financial Hardship review is incomplete documentation. This is the main cause of delays in a Financial Hardship (FH) review. Examples include:</p> <ol style="list-style-type: none"><li data-bbox="634 541 1484 1121">1. Incomplete Redevelopment Area (RDA) Information: A District will only submit a lump total of their RDA Funds they received over the previous three fiscal years and not a breakdown of what RDA areas made up that total. We need the lump total received broken down by RDA area or the FH package is still incomplete and will delay the District's review. The example in slide 24 of the presentation listed an ending RDA balance of \$910,175.21 as of 2/28/11. That total was comprised of four RDA's in the District that had a carry over balance which summed up to the total of \$910,175.21. We need a table submitted to OPSC that breaks out <i>all the individual RDA's</i> within the District with current balances and reconciles to the lump sum total of reported RDA funding. The "Schedule G" on slide 24 should be filled out & submitted with your Financial Hardship package if your district currently collects RDA funds.<li data-bbox="634 1129 1484 1226">2. We need a map of every RDA within the District if that RDA has an active carry over balance as of the date of the FH submittal.<li data-bbox="634 1234 1484 1772">3. Not having the detail needed for the expenditures listed in the Districts Financial Hardship Fund worksheets. We request the General Ledger (GL) detail report for each fiscal year list in the fund worksheets but we also need a bridging document between the fund worksheet and the GL detail report. This bridging document would breakdown all GL expenditures by project (School Facility Program (SFP) or local district project) by listing specifically the site and the project number. All expenditures must reconcile with the aggregate GL expenditure total. Without this bridging document it is difficult for staff to trace what specific project the individual expenditures were for. This breakdown of expenditures can be accomplished by using "Schedule C – Expenditures" detailed in slide 22 of the presentation. "Schedule C" will be posted to the OPSC website in the near future.<li data-bbox="634 1780 1484 1919">4. A Financial Hardship "Project Worksheet" (See slide 19 of the presentation) should be submitted for every project the district will be submitting a funding application for. The project worksheets need to be <u>phase</u> and <u>project</u> specific.

<p>What is the timeline for the FH process?</p>	<p>The goal for processing a Financial Hardship (FH) review is a 120 days. Staff will continue to work on streamlining the process. The current workload list and the completeness of documentation received can impact the time needed to complete a FH review.</p>
<p>Will OPSC post a workload list for FH submittals?</p>	<p>The OPSC is working with our Information Services Team to eventually post the Financial Hardship workload to the OPSC website. When the workload gets posted all districts will be notified.</p>
<p>Could you please address the concurrent review possibility, submittal of FH application and funding application at the same time?</p>	<p>There have been discussions of the possibility of current reviews for Financial Hardship reviews. Meaning the possibility of a district submitting an application for funding (Form SAB 50-04) at the same time they submit the Financial Hardship package for consideration.</p>
<p>Please address concurrent review, submittal of funding application and FH, phase 11, at same time.</p>	<p>Currently the School Facility Program (SFP) Regulations do not allow for concurrent reviews. Any changes to allow concurrent reviews would have to be accomplished by SFP regulation change. If this topic is discussed at any future State Allocation Board meetings then districts will be notified.</p>