



SAB won't slow school construction spending, even with funds projected to run out in April

By Kimberly Beltran

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The state's main school construction fund will be depleted by May and likely will sit dormant for at least two years and maybe longer if voters can't be persuaded to pass a facilities bond in 2014.

A split vote last week by State Allocation Board members, divided over a subcommittee recommendation to slow its monetary apportionments to keep the School Facilities Program active, means allocations will continue until the funds run out.

The SAB, responsible for approving school construction projects and awarding the state's share of costs, has been struggling with how to sustain the program, despite having allocated nearly its entire voter-approved \$35 billion budget since it began in 1998.

While the board had hoped a new bond measure – the only funding mechanism for school facilities – might be placed on this November's ballot, more pressing budget matters led Gov. Jerry Brown to propose a tax-increase initiative to save schools from deeper program and personnel cuts.

The next hope for a bond measure to replenish the facilities program coffers is 2014.

A subcommittee convened last fall to address the facilities program crisis had recommended the full board reduce its monthly allocation rate to stretch the remaining \$150 million in New Construction and \$410 million in Modernization funding over the next two years.

But at their meeting last week, several board members said that after having heard from district administrators and facilities managers, they preferred to continue funding projects normally until the funds run out. That could be as soon as April for New Construction and likely October for Modernization.

"I've listened to the districts," said Sen. Alan Lowenthal, D-Long Beach, a subcommittee member who originally supported slowing program spending. "I cannot now support this proposal. I do not mind running out [of money] and letting districts move forward. So I will not be supporting this recommendation."

The board did agree to a subcommittee recommendation to support suspension of a state law that kicks in when school facilities funds run dry.

Without a suspension – which requires legislative approval – school districts would be allowed to charge housing developers fees to make up for the loss of state construction funding.

Board members, school officials and building industry representatives all agreed that having the “Level III” developer fee law kick in would sound the death knell for an already struggling industry.

The board said it would pursue legislation to suspend any developer fee assessment through the end of 2014.

The SAB also directed its Office of Public School Construction staff to continue accepting school construction project applications and list them by date so that when funds do become available again, they can be processed in the order in which they were received.