

School Innovations & Advocacy Cabinet Report

State Allocation Board lifts 18-month deadline for school construction

By Tom Chorneau

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The panel overseeing school construction moved Wednesday to temporarily suspend an 18-month deadline for districts to enter into construction contracts and request state funding once they've received the green light from the State Allocation Board.

The suspension comes in response to the emergency action of the state's Pooled Money Investment Board last month to stop distributing funds for public works construction projects – including schools – in an effort to preserve cash.

The state is facing a \$41 billion budget shortfall over the next 18 months and as the deadlock between Gov. Arnold Schwarzenegger and legislative leaders continues over how best to close that gap – cash flow issues have become critical (see related article in today's Daily Briefing).

In suspending the rule, the allocation board explained that the move was considered temporary and that once dollars began flowing again from the multi-billion dollar pooled construction fund, the 18-month limit would again be back in place.

Also, districts were warned that the time clock will not reset on individual projects after the suspension is lifted. That is, if a project is 9 months into the 18-month timeline as of today, when money begins flowing again the clock will restart with 9 months to go.

The board also asked staff of the Office of Public School Construction to return next month with details about the 900 school projects affected by Wednesday's timeline order – projects valued at an estimated \$2.4 billion.

Eric Lamoureux, spokesman for the school construction agency, said the board wants to have a better understanding of the impacts that construction delays may be having – including health and safety issues.

Although it would seem that the board had little choice but to adopt the suspension, the hearing Wednesday drew an overflow crowd at a Capitol committee room. Several districts attended in an effort to make the board aware of their challenges with specific construction plans and hope to get state officials – including legislators who serve on the allocation board – to act quickly on the budget and to free up tax dollars.