



PRESS RELEASE

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Gov. Schwarzenegger Announces New Priority Rules for Shovel-Ready Local School Facility Projects

*Prop 1D Funding for School Construction Projects Accelerated, Putting
Californians to Work Now*

Governor Arnold Schwarzenegger announced today the State Allocation Board (SAB) has taken action to prioritize state funding from the Governor's Strategic Growth Plan for shovel-ready school construction projects helping to put Californians to work now. This decision will make \$408 million in Proposition 1D funds accessible to school districts throughout the state that are able to break ground on approved projects within two to three months of receipt of a funding apportionment.

"Prioritizing school facility projects that are ready to move forward with construction puts Californians to work in our communities now," said Governor Schwarzenegger. "This change in regulations will let districts ready to start work go to the head of the line, putting state and local money to work quickly to build and modernize schools while creating jobs and stimulating our economy."

The change voted on late today by the SAB creates a pilot program for prioritizing \$408 million in currently available Proposition 1D funds, approved by California voters in 2006, to school projects that are ready to proceed with construction. In order to qualify, school districts must have at least half of their construction contracts for a project in place and certify that they have local matching funds, usually at least 50 percent of the total project cost, in hand. Additionally, these projects must be able to start construction within 90 days to qualify. The board also agreed to allow financially challenged school districts to compete for this prioritized funding to purchase sites or begin design work.

Over the past several months, the SAB has worked in collaboration with the Department of General Services through town hall gatherings and board meetings to look for ways to help speed up school construction. During this time, many local school districts illustrated the need to receive accelerated access to state funds for "shovel-ready" school projects. The SAB's approval of emergency regulations today makes that possible.

Apportionments are currently granted based on the receipt and approval dates of complete funding applications, or a first in, first out basis, with each approved project having an 18 month window in which to start construction. Under this system, no consideration was given to whether school districts are actually ready or able to proceed with their projects, allowing schools to hold available state funds while the local school districts are still deciding the fate of the project. The new program voted on today will prioritize schools that are ready to break ground on construction.

The SAB is responsible for determining the allocation of voter-approved school construction bonds, as well as the administration of the School Facility Program, the State Relocatable Classroom Program and the Deferred Maintenance Program. The SAB is the policy level body for programs administered by the Office of Public School Construction, which provides the staff and support for state financing of school facilities. Funds for these projects are provided by bonds authorized under Propositions 1D, 47 and 55.