BONDING AUTHORITY - Overview

PURPOSE

To discuss the possible transfer remaining bonding authority.

DESCRIPTION

The bonding authority discussion was focused on three programs with remaining bonding authority including the Seismic Mitigation Program (SMP), the Overcrowding Relief Grant (ORG) and the modernization program, and the ability to transfer authority to alternate programs.

In the past, the Board and the legislature have considered options for the transfer of bonding authority and funds from programs with remaining bonding authority to programs of need. Some transfers can be made by Board action while others require legislative action with approval of two-thirds of the legislature. Details related to the programs within the SFP that have additional bond authority remaining, along with the action necessary to transfer the authority to new construction are available as part of the Committee item in Attachment C.

ACTIONS REQUESTED OF THE SUBCOMMITTEE

To vote on a recommendation concerning the transfer remaining bonding authority.

OPTIONS

1. Recommend the transfer of bonding authority from the SMP to the new construction program by Board action.
2. Recommend the transfer of bonding authority from the ORG to the new construction program by legislative action.
3. Recommend the transfer of bonding authority from the modernization program to the new construction program by legislative action.
4. Do not recommend transfer of any bonding authority at this time.

Transfer of Bonding Authority

The Committee previously discussed the possibility of transferring bonding authority from the SMP, ORG and Modernization to the new construction program.

HOW IT WORKS

The Board would be able to transfer SMP bonding authority through a policy decision whereas transferring ORG and Modernization bonding authority would require legislative action.

PREVIOUS COMMITTEE DECISIONS

SMP - Based on the Board's recent decision to create a Seismic Mitigation Committee to further explore avenues to make the SMP a more successful program, the Committee determined that the question of transferring authority should be revisited after the work group has completed its investigation and more information is available.

Modernization - The Committee discussed the viability of the modernization program and determined that the best course of action would be to use the modernization bonding authority for modernization projects and not attempt to transfer bonding authority to the new construction program.

ORG - Multiple Committee members were in favor of taking steps toward seeking a legislative action to transfer ORG bonding authority to the new construction program. No vote was taken at the Committee meeting but it was determined the subject would be addressed at the next Board meeting.

ISSUES AND CONCERNS

- Many stakeholders oppose the transfer of bonding authority.
- Seeking legislative action could be a long process.
- The viability of the SMP is still being examined.