

CASH Takes Action on Upfront Agreement & Beyond Bond Authority Project List

On Monday, June 5, 2017, the State Allocation Board (SAB) took action on two key policy issues that are critical to the implementation of Proposition 51: a) Regulatory Amendments for Increased Program Accountability (template for Upfront Grant Agreement); and, b) School Facility Program (SFP) Applications Received Beyond Bond Authority List (how to proceed with projects on the Acknowledged List). These proposals were originally scheduled to be adopted at the SAB meeting on April 24, 2017, but the action was deferred to a later date due to concerns with the draft prepared by the Office of Public School Construction (OPSC).

Fourteen CASH members testified during the hearing including Chair Don Ulrich (Clovis USD), Vice Chair Julie Arthur (Palm Springs USD), Immediate Past Chair Jenny Hannah (Kern HSD), and board members Rob Pierce (Elk Grove USD) and Alan Reising (Long Beach USD). The following is a summary of the actions that the SAB took on these agenda items:

Upfront Grant Agreement

The SAB voted to approve the Upfront Grant Agreement and conforming regulatory amendments, approved the projects on Attachment #5 for placement on the Unfunded List (Lack of AB 55 Loans), and exempted these projects from the Grant Agreement requirement. CASH and the education community had advocated for changes to the Grant Agreement, which were incorporated in this approval. These changes include:

- Changes to the eligible expenditures list to expand eligibility of freezers, refrigerators, and exercise equipment.
- The option of project-specific guidance letters incorporated by reference into the Grant Agreement – allows districts to achieve certainty on unusual project expenditures, ensuring auditors will allow.
- The Grant Agreement is required at fund release, not as a condition of apportionment.
- Projects on the True Unfunded List are exempt; the grant agreement still applies to all projects on the Acknowledged List.

The Grant Agreement as adopted includes a significant policy change by making educational technology, including computers and printers, an ineligible expenditure.

Beyond Bond Authority List

After extensive discussion and testimony from CASH board members and members of the education community, the SAB voted to approve “Option 1” which requires new construction projects on the Acknowledged List to re-justify their eligibility for the enrollment year in which the application was processed by OPSC, without losing their place in line. The biggest policy debate of the evening was whether schools should be required to update eligibility, or if projects would be processed with eligibility at the time of submittal. Projects that would no longer be eligible under updated eligibility have the right to submit an appeal to the SAB.

CASH would like to thank our members for their dedication and commitment to qualifying, approving, and now working to implement Proposition 51.