

TO: BOARD OF EDUCATION

MEETING DATE: March 14, 2019

FROM: Ron Little
Staff Support: Rheia Alschbach

AGENDA ITEM: 7.4

**SUBJECT: APPROVE RESOLUTION NO. 24-2019 ENTITLED
"ALLOCATION OF THE STATE SCHOOL FACILITIES
PROGRAM REIMBURSEMENT FUNDS"**

- Action
- Consent Calendar
- First Reading
- Information
- Presentation
- Public Hearing
- Roll Call Vote Required

RECOMMENDATION:

Approve Resolution No. 24-2019 allocation of the State School Facilities Program Reimbursement funds.

DISCUSSION/PROGRAM:

In 2014, at a time when the State was no longer apportioning their matching share the District filed an application with the State Allocation Board for school facility funding to construct Design 39 Campus. With the passage of Prop 51 in 2016, California voters authorized the State to sell \$9 Billion in bonds for school facility construction to be paid by all California taxpayers. Staff expects to receive reimbursement of \$27,672,923 from the next issuance of State Bonds, presumably in Spring 2019. In anticipation of receiving the reimbursement, staff has reviewed possible uses with District Counsel and Financial Advisor.

California Code of Regulations, Section 1859.90.5, states; "when a school district uses local bond funds to make eligible project expenditures authorized in the Leroy F. Greene Act and State school bond funds are made available to reimburse the State's share of those eligible project expenditures, the reimbursement funds shall be used as follows:"

- I. Retiring the local bonds; and/or
- II. Permitted by the local bond, or
- III. For any high priority capital outlay expenditure in the district as permitted in Education Code Section 17070.63(c) ("High Priority Capital Projects").

Acknowledging extant critical, high-priority facilities needs within the District, staff recommends the following:

Continued...

LEGAL REFERENCE: California Code of Regulations, Section 1859.90.5, Education Code Section 17070.63(c)

FISCAL IMPACT: N/A

MOVED BY: _____ SECONDED BY: _____

VOTE: BEATTY _____ COUVRETTE _____ O'CONNOR-RATCLIFF _____ PATEL _____ ZANE _____ STUDENT PREFERENTIAL VOTE: SCHWARTZ _____

Recommended Allocation	State Reimbursement Amount
CFD Reimbursement – 45%	
Retire Local CFD Bonds*	\$6,226,407.68
High Priority Capital Projects	\$6,226,407.68
Non-CFD Reimbursement – 55%	
High Priority Capital Projects	\$15,220,107.65
Total	\$27,672,923

* Series 2014A Special Tax Bonds cannot be called until 89 days prior to October 1, 2024 – however, this option can be incorporated by escrowing the funds for such purpose.

Resolution No. 24-2019 is attached.

Poway Unified School District

RESOLUTION NO. 24-2019

**ALLOCATION OF STATE SCHOOL FACILITIES PROGRAM
REIMBURSEMENT FUNDS**

ON MOTION of Member _____, seconded
by Member _____, the following resolution is adopted:

RESOLVED by the Board of Education (the “Board”) of the Poway Unified School District (the “District”) that:

WHEREAS, Poway Unified School District (“PUSD”) has filed an application with the State Allocation Board (the “SAB”) for a grant under the provisions of the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 of Part 10, Division 1, Title 1 of the California Education Code commencing at Section 17010) (the “School Facilities Act”) to finance a portion of the cost of construction of the Design 39 Campus school facilities; and

WHEREAS, at the time PUSD filed such application the SAB was not allocating grant funds, therefore, it was necessary for PUSD to fund the initial cost of construction of the Design 39 Campus school facilities, including the state’s portion of such costs; and

WHEREAS, as a result, any apportionment of such grant funds by the SAB to finance the state’s share of the cost of construction of the Design 39 Campus school facilities will constitute a reimbursement of such costs previously incurred by PUSD; and

WHEREAS, California Code of Regulations Section 1859.90.5 provides that when a school district uses local bond funds to make eligible project expenditures and the SAB makes state bond funds available to reimburse the state’s share of such expenditures, such reimbursement funds shall be used as follow:

- (a) Toward retiring the local bonds; and/or
- (b) Toward uses permitted by the local bonds; or
- (c) For any high priority capital outlay expenditures in the school district as permitted in Education Code Section 17070.63(c) (“High Priority Capital Projects”); and

WHEREAS, in anticipation of PUSD receiving an apportionment of grant funds for the state’s reimbursement in the amount of \$27,672,923, this Board desires to authorize the use of such grant funds.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Education of the Poway Unified School District as follows:

Section 1. The above recitals are true and correct.

Section 2. This Board hereby approves the allocation of the State Reimbursement when received by PUSD for the following purposes:

Recommended Allocation	State Reimbursement Amount
CFD Reimbursement – 45%	
Retire Local CFD Bonds	\$6,226,407.68
High Priority Capital Projects	\$6,226,407.68
Non-CFD Reimbursement – 55%	
High Priority Capital Projects	\$15,220,107.65
Total	\$27,672,923

Section 3. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED on March 14, 2019, by the following vote:

- AYES:**
- NOES:**
- ABSTAIN:**
- ABSENT:**

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)

This is to certify that the foregoing document is a true copy of the Resolution of the Board of Education of the Poway Unified School District of San Diego County.

Ginger Couvrette, Clerk of the Board of Education