



What Does It All Mean – How Do We Tie It All Together?

May 22, 2009

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Overview

- What are the Issues/Conflicts?
 - Economic Recovery
 - Cash Flow
 - Local Funding Options
 - Capital vs. Operational
 - Ongoing State Funding

Conflict One

- Economic Stimulus from construction projects vs. state cash flow and general fund constraints.
- Response – priority for locally funded projects – delay in fund release apportionments.

Conflict Two

- If no state funds then encourage local funding vs. avoid Level 3 in current restricted new residential and commercial construction environment.
- Response – slow apportionments to avoid Level 3 fees.

Conflict Three

- Schools must be maintained to protect the taxpayer investment vs. maintenance that can be deferred.
- Response – allow maintenance funds to be used for non-maintenance purposes for five years.

Conflict Four

- Capital assets should be used for capital purposes vs. schools, which have had significant cuts and need to use assets to maintain academic programs.
- Response – firewall to protect capital assets has generally been maintained.

Conflict Five

- Schools need state commitment for matching funds to appropriately plan and fund school construction and modernization projects vs. school bonds that require a 2/3 legislative vote to be placed on ballot and have been known to fail passage in bad economic times (refer to Conflict Two).

Conflict Five

- Response – look at Lease Revenue bonds (simple majority in Legislature with no statewide vote requirement) in addition to a 2010 General Obligation state school bond.

Conflict Six

- Schools want to maximize state match percent vs. state wants to minimize state match percent.
- Response – to be determined.

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