

Message From The Chair



Bill Savidge, C.A.S.H. Chair

To Bond or Not to Bond


The most immediate issue concerning funding availability is the status of State GO bond sales for state infrastructure projects in general, and school projects in particular. As you will recall, C.A.S.H. advocated vigorously that the \$2.4 billion in school construction projects frozen by the Pooled Money Investment Board (PMIB) on December 17, 2008 be fully-funded. I am pleased to report that as a result of the State Treasurer's Office (STO) successful State GO bond sales in March, April and October of this year that there is enough money to fund these projects.

C.A.S.H. is currently working to ensure that the \$1.7 billion in unfunded projects that were submitted to OPSC after December 17, 2008, and approved by the SAB as Unfunded Approvals, are also fully-funded. Specifically, the STO is reportedly scheduling a \$1.5 billion State GO bond sale for November 4, but the decisions regarding which infrastructure sectors will receive proceeds from the sale are not yet final. It is important to note that such decisions

are ultimately made by the Department of Finance (DOF). The Treasurer has indicated a future GO bond sale in the Spring of 2010. C.A.S.H. will continue to work with decision-makers to ensure that when the STO successfully sells GO bonds, school projects get their fair share of the funding.

The second issue concerning funding is the question of whether or not a statewide school bond will be placed on the ballot in 2010. C.A.S.H. invited a representative from the Assembly Speaker's Office to address this question at the C.A.S.H. Fall Conference in Costa Mesa, and he estimated the odds of a 2010 school bond at 60/40, citing concerns about possible mid-year budget cuts, the cost of debt service and its impact on the State general fund, and competition with other infrastructure bonds as impediments.

C.A.S.H. has also conducted a polling survey to gauge the current public mood concerning the possibility of a 2010 statewide school bond. Not surprisingly, the results are a mixed bag, with voters' strong concern about the economy and general confidence at rock bottom, yet still appearing to recognize the importance of investing in education generally, and school facilities in particular. C.A.S.H. arranged a briefing on the results of the survey for legislative staff and others to ensure decision-makers are aware of the level of public support for a potential 2010 school bond.

To ensure C.A.S.H. members stay informed of the latest information regarding availability of funding and the future of a statewide school bond, it is imperative that you attend the Annual Conference – *C.A.S.H. Our Foundation, Our Future*, February 22-25, 2010, at the Sacramento Convention Center. 

In last month's Message From The Chair, I focused on the implications of the Office of Public School Construction Plan Verification Team's (PVT) efforts to outreach to school districts. This month I would like to focus on the broader issue of the future availability of funding to build and modernize schools going forward.



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