Message From The Chair

With half of 2012 now in the books, I wanted to focus this month's Message from the Chair on the results of the June primary election, the State Budget as it relates to school facilities, legislation that is now moving through the second house, and issues currently before the State Allocation Board.

Election, State Budget, Legislation and the SAB

June Primary Election: School Bonds and Parcel Taxes

Of the 34 local school bonds that were on the June 5th ballot, 23 passed and 11 failed. This represents a 67% passage rate for all local school bonds during this primary. In addition, there were 13 school parcel tax measures on the June ballot, and of these 9 passed and 4 failed, representing a 64% passage rate. Four additional parcel taxes were placed before voters in March and May, bringing the 2012 total to 17; three of these passed, so the overall passage rate for 2012 is currently 70%. Included in the counts above were one parcel tax and one bond for community college districts; both were successful. It is heartening to see that, even in the midst of very difficult times, the public still strongly supports public education.

State Budget

The Democratic budget plan rejects the Governor’s School Facilities Program (SFP) proposals. These proposals included the metering (i.e. rationing) of remaining bond authority, the shift of Overcrowded Relief Grant (ORG) funds to New Construction, and the prohibition on funding ORG projects on or after June 30, 2012. C.A.S.H. opposed all three of these items. In addition, the Democratic plan includes the Governor’s debt service trigger proposal. This would shift debt service payments on school bonds inside Proposition 98, creating $2.4 billion in net savings but displacing that amount of Proposition 98 programmatic funding. This would only go into effect if the Governor’s tax ballot initiative fails.

The redevelopment trailer bill as enacted stipulates that, when all of a redevelopment agency’s debt has been paid, the successor agency will terminate and all pass-through payments will cease earlier than previously anticipated. This would be problematic for school districts that have bonded against future payments. Members of the Legislature and the Administration have acknowledged that this proposal does not create a budget solution for FY 2012-13 and, therefore, they have expressed the intention to continue working on this issue after the budget has passed.

Concerning Emergency Repair Program (ERP) funding, the Budget, as introduced, included $12.3 million to fund ERP reimbursement projects, but this funding was eliminated in the most recent version of the Budget.

Legislation

C.A.S.H. continues to support and oppose bills that would positively or
negatively impact the school facilities community. In a new development, C.A.S.H. is pleased to announce that it is the co-sponsor, along with the School Energy Coalition (SEC), of AB 1186 (Skinner) which would provide funding specifically for school energy projects. C.A.S.H. has also engaged on SB 1572 (Pavley) which is an associated bill that is attempting to achieve the same objectives as AB 1186. In light of tight school district budgets, energy efficiency is a way for schools to reduce operational costs and achieve healthier and more efficient environments for learning. For a full review of legislation that C.A.S.H. has taken positions on, please see page 4 of this issue.

State Allocation Board (SAB)
The SAB was scheduled to consider the issue of continuing unfunded approvals at their meeting on May 30, 2012 (which was cancelled) but will consider it at a future SAB meeting. I participated in the Implementation Committee discussions and the letter that C.A.S.H. submitted to the SAB that they continue to follow existing policy in making unfunded approvals beyond bond authority for the various programs administered by the Board. There is wide school district support for this position, and C.A.S.H. has asked our members to inform the SAB of their support for continuing the current Unfunded Approvals list.

In addition, at their April 2012 meeting the SAB established the SAB Department of Defense (DOD) Subcommittee, chaired by Senator Alan Lowenthal, to look at funding options to assist districts with DOD schools in meeting their 20 percent matching share requirement. The Subcommittee met on June 12, 2012 to discuss options for the SAB to consider at the next SAB meeting on Wednesday July 25, 2012.

State Bond Committee
Finally, the C.A.S.H. Board has reconvened the C.A.S.H. Bond Committee to begin the process of envisioning what the next steps and future might be for the School Facilities Program (SFP).