

# Funding and Finance for School Facility Projects

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# Types of Funding

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- Local Funds
- State Funds
  - SAB / OPSC
  - CDE
- Federal Funds



# What is New?

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- Grant increases
  - Additional Site Development
  - Mod grants for Accessibility and Fire Code
  - Base grant increases with annual increase authority
- Charter School Funding
- Small High School Program



# What is New?

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- ❑ High Performance Incentive Grants
- ❑ Overcrowding Relief Grants
- ❑ Career Technical Education Facilities Program
- ❑ Seismic Mitigation



# What is on the Horizon?

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- Federal dollars
- Redevelopment Area Pass Through Issues

# Approaches to Fund Mgmt

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- **Code the contracts/PO's to various sources**
  - Maintains the various nexus requirements
  - Makes it difficult to track expenditures

## T Account Examples – Coding Expenditures to Various Funds

Fund 21 - Bond	Fund 35 – OPSC	Fund 25 – Dev Fees
XX	XX	XX
XX	XX	XX
XX	XX	XX
XX	XX	XX

# Approaches to Fund Mgmt

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- **Combine funds from contributing sources**
  - Keeps all the expenditures in one location
  - Makes maintaining the nexus' a challenge

## T Account Examples – Transfer of Funds to One Location

Fund 21 - Bond	Fund 35 – OPSC	Fund 25 – Dev Fees
XXX (XXX)	XXX XXX XXX	XXX (XXX)
	XX XX XX	





# Approaches to Fund Mgmt

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- Establish a primary fund
  - Maintains clear nexus
  - Keeps record of entire project in one location in the fiscal ledger
  - Due to /Due from set ups must be managed



# Managing the Cash Flow

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*Each project can have positive cash flow, but if the source fund does not have positive cash flow – you won't be able to issue warrants!*

- The total of all the projects' demands on the fund must result in a positive cash flow



# Board Approvals

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- ❑ The board should approve the project concept, typically as part of a master-plan
- ❑ The board must certify CEQA requirements prior to start of project
- ❑ The board should direct staff to begin design and require design professionals to comply with applicable bldg codes
- ❑ The board must approve design concept before working drawings begin
- ❑ The board should approve design before bidding
- ❑ DSA approvals must be obtained before bid award



# Best Practices

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- ❑ The board should approve a budget that includes a funding plan and an expenditure budget - and the funding should cover the expenditures!
- ❑ The board should require a revised budget with funding plan when awarding a major bid or if the project is significantly revised
- ❑ The board should verify that each major contract is within the budget parameters
- ❑ Watch for conflicts of interest, build in appropriate redundancies