



Lindsay Unified School District

State Aid

Facilities Financing Update

May 2013

District Background

- To date, the Lindsay Unified School District has received approximately \$59.2 million in State grants for facilities modernization and new construction
- In addition, the District has issued approximately \$15 million in combined local school bond proceeds
- In many cases, the District was able to leverage State grants through the Financial Hardship Program, further reducing the need for local contributions
- This strategy enabled the District to obtain additional dollars and address projects that would have otherwise been prohibited by the amount of local funds available for facilities construction and modernization
- The District currently may have an opportunity to garner additional dollars for projects from its Measure “L” bond program by once again utilizing the Financial Hardship Program
- If the District elects to pursue additional grants from the State, the District will need to carefully orchestrate the flow of funds from the District’s existing bond authorizations

State School Facility Program (SFP)

New Construction

- The new construction grant program is intended to fund land acquisition, design, construction, testing, inspection, furniture and equipment, and other costs closely related to the actual construction of school buildings
- The assistance is in the form of grants approved by the State Allocation Board (SAB), and requires a 50% local contribution

Modernization

- A district is eligible for grants when students are housed in permanent buildings at least 25 years old and relocatable classrooms of at least 20 years since placed in service or last modernized with State funds.
- The assistance is in the form of grants approved by the SAB, and requires a 40% local contribution

Funds Availability

- Funds for new construction have been depleted and must wait for a new bonds to be authorized by State voters
- Funds for modernization are currently available and projected to be sufficient to fund projects through March of 2014, based on the current rate of applications

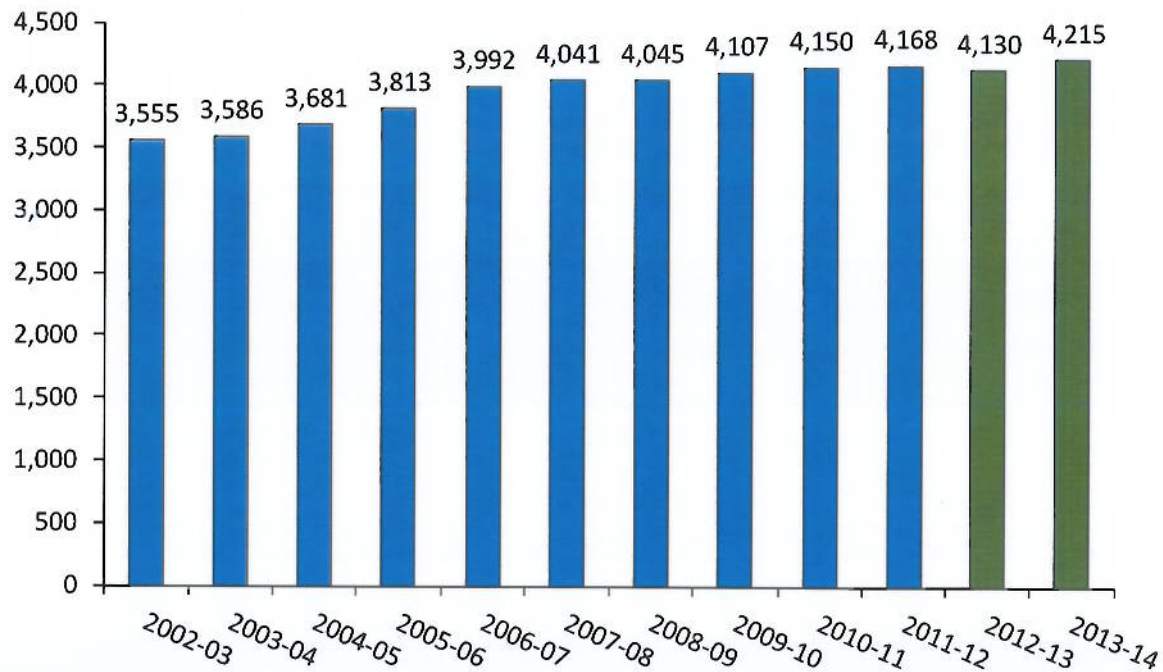
Financial Hardship Program

- Financial hardship assistance is available for those districts that cannot provide all or part of their local match funding share of a SFP project
- In order to receive financial hardship assistance, a district must have made all reasonable efforts to raise local funding, including the levy of the allowed maximum developer fee and must also demonstrate that it is unable to contribute all or a portion of the matching share requirement, including evidence that it has exceeded 60% of its local bonding capacity
- If the district meets the financial hardship criteria, it is eligible to receive an additional grant equal to its local share requirement for new construction or modernization projects
- The District has been successful in garnering financial hardship assistance in the past, building Lindsay High School and Roosevelt Elementary and modernizing Reagan (Garvey), Jefferson, and Washington Elementary schools
- The District may be in a position to consider utilizing the financial hardship program to garner additional funding for any remaining eligibility for new construction and modernization projects

New Construction Eligibility

- The District currently has no new construction eligibility, all was previously used to construct the new schools
- However, future growth in enrollment may increase eligibility as the District exceeds its facilities capacity

District's Historical Enrollment



Source: District

Modernization Eligibility

Lindsay Unified - Existing and Anticipated Modernization Eligibility By School Site

- The District is currently eligible for approximately \$5.57 million in Modernization funding
- Under the Financial Hardship Program, the State's contribution would increase by approximately \$3.7 million
- Additional eligibility is projected to be available at the elementary sites over time, assuming the program remains in place

	Jefferson ES	Kennedy ES	Lincoln ES	Reagan ES	Washington ES	Match Grant	Hardship Grant
Current	\$1,206,725	\$185,650	\$1,949,325	\$835,425	\$1,392,375	\$5,569,500	\$9,282,500
2016			\$1,080,000			\$1,080,000	\$1,800,000
2017		\$180,000	\$270,000			\$450,000	\$750,000
2018	\$720,000			\$180,000		\$900,000	\$1,500,000
2019	\$270,000			\$90,000	\$450,000	\$810,000	\$1,350,000
2020		\$270,000				\$270,000	\$450,000
2021			\$90,000		\$90,000	\$180,000	\$300,000
2022	\$90,000					\$90,000	\$150,000
2023							
2024					\$90,000	\$90,000	\$150,000
2025				\$180,000	\$360,000	\$540,000	\$900,000
2026				\$450,000	\$360,000	\$810,000	\$1,350,000
2027		\$180,000				\$180,000	\$300,000
2028			\$90,000	\$90,000		\$180,000	\$300,000
2029	\$360,000			\$180,000	\$540,000	\$1,080,000	\$1,800,000
2030		\$630,000			\$90,000	\$720,000	\$1,200,000
2031		\$630,000				\$630,000	\$1,050,000
2032	\$90,000	\$810,000			\$90,000	\$990,000	\$1,650,000
Total	\$2,736,725	\$2,885,650	\$3,479,325	\$2,005,425	\$3,462,375	\$14,569,500	\$24,282,500

Considerations

- Measure “L” approved by voters in 2012, authorizes the District to issue \$16 million in General Obligation bonds
- The first series of bonds (Series “A”) is currently sized to issue approximately \$8 million and is available to pay down a portion of the District’s outstanding 2009 Certificates of Participation (COP) and fund the planning and construction costs of additional projects
- Under the Match Program, the District could elect to forgo Hardship funding and contribute the balance of Series “A” proceeds to maximize the amount of modernization funding available for planning and construction
- Alternatively, \$3.7 million may be possible from additional State grants if the District elects to enter the Financial Hardship Program, reducing the amount of Series “A” to the amount required for the COP and projected planning costs and the total immediate burden to taxpayers
- In order to enter the Program, the District’s construction fund would need to be fully encumbered or have a zero balance at the time of Hardship application approval; any positive balance at the time of approval would result in a reduction of grant amount
- As a result, it is critical that the District only issue the amount of bonds it believes can be fully expended by the application’s approval date

Additional Factors

- The State provides no guarantee of funding under any circumstances
- To proceed, the District must authorize its staff, architects and consultants to proceed to design and submit projects for approval to necessary State agencies, including DSA and OPSC
- If the projects are approved and Hardship funding is available, the District will proceed with construction as soon as possible, thereafter
- If the projects are approved and Hardship funding is unavailable at that time, the District will need to proceed with the Match Program and produce its local share
- If Match funding is not available, it will need to wait for a future State bond or proceed with the issuance of additional local bonds to fund as many projects as possible
- On May 7th the District received a waiver from the State as to its bonding capacity to issue additional bonds
- This waiver may be used to sell all or a portion of Series "A" bonds in one or more bond sales
- If the District sells less than the total amount possible, a subsequent bond sale may be undertaken if State aid is not forthcoming