Policy 7210: Facilities Financing

Status: ADOPTED

Original Adopted Date: 02/01/1997 **| Last Revised Date:** 03/01/2021

The Governing Board recognizes its responsibility to identify the most cost-efficient and effective method of financing when purchasing or modifying district facilities. Financing may be necessary when it is determined that school facilities must be built or expanded to accommodate an increased or projected increased enrollment or when safety considerations and educational program improvements require the replacement, reconstruction, or modernization of existing facilities.

The Superintendent or designee shall research funding alternatives and recommend to the Board the method of funding that will best serve district needs as identified in the district's master plan for school facilities.

CSBA NOTE: The following list describes some of the facilities financing options available to school districts.

Funding alternatives may include, but are not be limited to:

1. Levying developer fees pursuant to Education Code 17620 and Government Code 65995-65998
2. Forming a community facilities district pursuant to Government Code 53311-53368.3, the Mello-Roos Community Facilities Act
3. Forming a school facilities improvement district pursuant to Education Code 15300-15425
4. Issuing voter-approved general obligation bonds
5. Imposing a parcel tax pursuant to Government Code 50079
6. Using lease revenues for capital outlay purposes from surplus school property

   CSBA NOTE: Pursuant to the Leroy F. Greene School Facilities Act of 1998 (Education Code 17070.10-17079.30), the State Allocation Board provides state per-pupil funding, including hardship funding, for new school facilities construction and school facilities modernization for applicant school districts.
7. Applying for state facilities funding pursuant to the Leroy F. Greene School Facilities Act (Education Code 17070.10-17079.30)

   CSBA NOTE: Pursuant to Education Code 41024, districts that receive state facilities funding pursuant to the Leroy F. Greene School Facilities Act must annually report a detailed list of all expenditures of state funds and of the district's matching funds for completed projects until all funds are expended, and submit an audit of completed facilities projects within one year of project completion. As amended by SB 820 (Ch. 110, Statutes of 2020), Education Code 41024 requires the auditor to file the audit with the California State Controller, who will then provide a copy of the audit to the California Department of Education and notify the Office of Public School Construction of any audit findings and any identified amounts to be adjusted. See AR 3460 - Financial Reports and Accountability for more specific information about reporting and auditing requirements.

   The district shall provide reports, maintain records, and provide for audits of the expenditure of state facilities funds as required by law and AR 3460 - Financial Reports and Accountability. (Education Code 41024)

CSBA NOTE: Government Code 8855 requires districts to adopt a debt management policy prior to issuing any debt, such as general obligation bonds. The policy must include (1) the purposes for which the debt proceeds may be used; (2) the types of debt that may be issued; (3) the relationship of the debt to, and integration with, the district's capital improvement program or budget, if applicable; (4) policy goals related to the district's planning goals and objectives; and (5) internal control procedures to ensure that the proceeds of the proposed debt issuance will be directed to the intended use. See BP 3470 - Debt Issuance and Management.

As applicable, the district shall comply with BP 3470 - Debt Issuance and Management.

State References	Description
2 CCR 1859-1859.199	Leroy F. Greene School Facilities Act
CA Constitution Article 13D, Sections 1-6	Assessment and property related fee reform
Ed. Code 15100-17059.2	School bonds
Ed. Code 15122.5	Ballot statement
Ed. Code 15300-15327	School facilities improvement districts
Ed. Code 17000-17059.2	State School Building Lease-Purchase Law of 1976
Ed. Code 17060-17066	Joint venture school facilities construction projects
Ed. Code 17070.10-17077.10	Leroy F. Greene School Facilities Act of 1998
Ed. Code 17085-17095	State Relocatable Classroom Law of 1979
Ed. Code 17582	District deferred maintenance fund
Ed. Code 17620-17626	Levies against development projects by school districts
Ed. Code 17621	Procedures for levying fees
Gov. Code 50075-50077	Voter-approved special taxes
Gov. Code 50079	School districts; qualified special taxes
Gov. Code 53175-53187	Integrated Financing District Act
Gov. Code 53311-53368.3	Mello-Roos Community Facilities Act of 1982
Gov. Code 53753	Assessment notice and hearing requirements
Gov. Code 53753.5	Exemptions
Gov. Code 54954.1	Mailed notice to property owners
Gov. Code 54954.6	New or increased tax or assessment; public meetings and hearings; notice
Gov. Code 6061	One time notice
Gov. Code 6066	Two weeks' notice
Gov. Code 65864-65867	Development agreements
Gov. Code 65970-65980.1	School facilities development project
Gov. Code 65995-65998	Payment of fees against a development project
Gov. Code 66000-66008	Fees for development projects
Gov. Code 66016-66018.5	Development project fees
Gov. Code 66020-66025	Protests and audits
H&S Code 33445.5	Overcrowding of schools resulting from redevelopment
H&S Code 33446	School construction by redevelopment agency
Uncodified Statutes 17696-17696.98	Greene-Hughes School Building Lease-Purchase Bond Law of 1986

Management Resources References	Description
Attorney General Opinion	79 Ops.Cal.Atty.Gen. 149 (1996)
Court Decision	Loyola Marymount University v. Los Angeles Unified School District (1996) 45 Cal.App.4th 1256
Court Decision	Ehrlich v. City of Culver City (1996) 12 Cal.4th 854
Court Decision	Dolan v. City of Tigard (1994) 114 S.Ct. 2309
Court Decision	Canyon North Co. v. Conejo Valley Unified School District (1993) 19 Cal.App.4th 243, 23 Cal.Rptr.2d 495
Court Decision	Garlic Development Co. v. Hayward Unified School District (1992) 3 Cal.App.4th 320, 4 Cal.Rptr.2d 897

Court Decision	Nollan v. California Coastal Commission (1987) 107 S.Ct. 3141
Website	Office of Public School Construction

Cross References	Description
1330.1	Joint Use Agreements
3100	Budget
3100	Budget
3470	Debt Issuance And Management
7000	Concepts And Roles
7110	Facilities Master Plan
7131	Relations With Local Agencies
7150	Site Selection And Development
7150	Site Selection And Development
7211	Developer Fees
7211	Developer Fees
7212	Mello-Roos Districts
7213	School Facilities Improvement Districts
7214	General Obligation Bonds
7214	General Obligation Bonds
9000-B	Role Of The Board