

SBCEO Facilities Funding and Financing Overview

Non-Voter Approved Debt

- 1. Certificates of Participation (COPs)**
Certificates of Participation (COPs) are lease-financing agreements used by government agencies for construction projects and facilities improvements. Under the agreement, the government agency makes regular payments over the annually renewable contract for the acquisition and use of the property. The certificate of participation is an alternative to municipal bonds in which an investor buys a share in the improvements or infrastructure the government agency intends to fund.
- 2. Tax and Revenue Anticipation Notes (TRAN)**
Tax and revenue anticipation notes (TRANs) are short-term financings issued by California school and community college districts to manage cash flow deficits. TRANs are more commonly issued by community funded districts due to how districts receive revenues.
- 3. Lease Revenue Bonds**
Lease revenue bonds are supported by the revenue from a specific project or secured by a specified revenue source. The revenue stream paying the debt service on the bond is created from lease payments made to the governmental financing entity which constructs the facility.
- 4. School Facilities Program**
The School Facility Program (SFP) provides State funding assistance for two main types of facilities construction projects: new construction and modernization. The process to attain state funding is a two-step process consisting of an application for eligibility and an application for funding. Applications for eligibility are approved by the State Allocation Board (SAB) to establish that the school district or county office of education meets the criteria under law to receive assistance for new construction or modernization.

Available Facilities Funds

FUND	PURPOSE
Facilities Fund (44)	These funds exist primarily to provide for the accumulation of general fund moneys for capital outlay purposes.
Lease Purchase & Site Improvement Fund (48)	
One-Time Revenue Fund (17)	This fund is used primarily to provide for the accumulation of general fund moneys for general operating purposes. Amounts from this special reserve fund must first be transferred into the general fund or other appropriate fund before expenditures may be made.