



Legislation Details (With Board Report)

File #: 12-165 **Name:** Recommendations from the Legislative Committee
Type: General Agenda Item **Status:** Passed
File created: 4/12/2012 **In control:** Board of Supervisors
On agenda: 5/1/2012 **Final action:** 5/1/2012

Title: a. Consider recommendations from the Legislative Committee to support AB 1858 (Alejo) and SB 1240 (Cannella) School finance: emergency loans: South Monterey County Joint Union High School District; and
b. Receive the action minutes from the January 23, 2012 meeting of the Legislative Committee.

Sponsors: Nick Chiulos

Indexes:

Code sections:

Attachments: 1. AB 1858 (+) (Alejo) SMOCo Joint Union HSD loan doc.pdf, 2. SB 1240 (+) (Cannella) SMOCo Joint Union HSD loan doc.pdf, 3. 012312 Action Minutes.pdf, 4. Board Order 12-165

Date	Ver.	Action By	Action	Result
5/1/2012	1	Board of Supervisors	approved	

a. Consider recommendations from the Legislative Committee to support AB 1858 (Alejo) and SB 1240 (Cannella) School finance: emergency loans: South Monterey County Joint Union High School District; and
b. Receive the action minutes from the January 23, 2012 meeting of the Legislative Committee.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

a. Consider recommendations from the Legislative Committee to support AB 1858 (Alejo) and SB 1240 (Cannella) School finance: emergency loans: South Monterey County Joint Union High School District; and
b. Receive the action minutes from the January 23, 2012 meeting of the Legislative Committee.

SUMMARY

The Legislative Committee met on April 11, 2012 and recommended that the Board of Supervisors take a support positions on AB 1858 (Alejo) and SB 1240 (Cannella), two bills which would allow the South Monterey County Joint Union High School District to refinance their loan with the California Infrastructure and Economic Development Bank (I-Bank). The Committee also recommended that the Board receive the action minutes from the January 23, 2012 Legislative Committee meeting.

DISCUSSION:

AB 1858 (Alejo) and SB 1240 (Cannella) are identical bills that aim to provide much needed financial relief to the South Monterey County Joint Union High School District. The District has a loan from the California Infrastructure and Economic Development Bank (I-Bank) which was authorized in June 2009 by SB 130. The loan currently bears an interest rate of 5.44%, which amounts to debt service payments of approximately \$1.2 million annually, or \$23.6 million over the life of the loan. By changing the interest rate to 1% as authorized in AB 1858/SB 1240, the District would be able to realize approximately \$445,000 annually in debt service savings, or \$8 million over the life of the loan. This savings would provide a significant boost to the District.

Additionally, the Legislative Committee met on January 23, 2012. The action minutes from that meeting were

approved by the Legislative Committee on April 11, 2012. The Legislative Committee submits for Board receipt the action minutes from the January 23, 2012 meeting.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office - Intergovernmental & Legislative Affairs Division prepared this report. Information was provided by the South Monterey County Joint Union High School District and JEA & Associates (the County's state legislative advocate).

FINANCING:

Monterey County's Legislative Program is funded in County Administrative Office-Department 1050, Intergovernmental & Legislative Affairs Division-Unit 8054. Approval of this recommendation will not result in additional general fund contributions.

Prepared by:

Approved by:

Annette D'Adamo
Management Analyst III

Nicholas E. Chiulos
Director, Intergovernmental & Legislative Affairs

Date: April 11, 2012

Attachment A) Letter of Support for AB 1858 (Alejo)
 B) Letter of Support for SB 1240 (Cannella)
 C) 1/23/12 Legislative Committee Meeting Action Minutes