

Capital Construction Assistance Board Policy

Sources of Match and Return of Unused Matching Funds for Lease Purchase Grants



When funds are available, the Capital Construction Assistance Board (CCAB) may recommend BEST grants for award as either cash or lease-purchase grants. All projects may be considered for funding as cash grants, however lease-purchase financing is primarily intended to be reserved for new schools and major renovations, due to the complexity of the financing process and collateral requirement. The following policies are hereby clarified in regard to Lease-Purchase grants:

SOURCES OF MATCH

Cash

- Cash from capital reserve, general fund, outside financing, proceeds from bonds sold prior to grant submission, or other eligible sources may be used as a match for a lease-purchase grant if identified as cash at the time of application and available for deposit in the Project Account at time of closing.

Matching Money Bond

- Bonds to be used as a match for BEST lease-purchase grant must be in the form of a matching money bond to be sold by the state along with the state portion, and such bonds will require a 20 year level debt service structure. Financing is paid back with future local property tax revenues.

Energy Performance Contract

- *Applicants who wish to use an energy performance contract as a source of match shall have the full amount of funds on deposit, budgeted, and appropriated prior to the effective date of the grant agreement.*

Charter School Loan Program

- Charter schools who qualify for the Charter School Loan Program may use the program loan as a match in accordance with CRS 22-43.7-110.5 and BEST Program Rules 4.3.

Other grants, sources

- Other sources of match may require prior approval from the Treasurer's office for consideration for lease-purchase grant funding.

CCAB MEMBERS

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Construction Manager

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RETURN OF UNUSED MATCHING FUNDS FROM LEASE-PURCHASE GRANTS

Lease Purchase grants have a sublease or a participation agreement where the grant participant agrees, in Section 4.11 Excess Costs and Cost Savings, that if the costs of the project are less than the amount of the moneys that may be withdrawn from the participant's project account, savings shall be transferred to the State Expense Fund, as determined by the State Treasurer.

Cash – If the grant participant has withdrawn money from their general fund or other cash source, provided it as a cash match to the BEST grant, and there is a cost savings, then the local portion of the savings, calculated using the actual matching percentage on the grant, may be returned to the grant participant at the discretion of the State Treasurer and CCAB.

Grantee Matching Money Bond Financed By the State – If there is a cost savings, the local portion **will not be returned** to the grant participant from the Project Account. An alternate method of returning funds is described below

Other Grants, Charter School Loan Program, and Base Rent - If there is a cost savings, the local portion **will not be returned** to the grant participant from the Project Account.

LEASE-PURCHASE GRANTS

At the discretion of the CCAB, and subject to appropriation, lease-purchase funded grants using a matching money bond as the source of match may be awarded a Lease-Purchase Return cash grant in an amount equal to the grantee's remaining contribution from their completed lease-purchase project. Such grant funds may only be used for the following purposes:

- Qualifying capital improvements to the project associated with their original grant application
- Qualifying capital improvements to a school facility within the school district

Projects may only qualify for this type of grant if:

- The grant project was funded with lease-purchase financing
- The grant project's source of match was a matching money bond financed by the State
- The grant project did not expend the entire amount dedicated to the grant project and the grantee has filed a project completion certificate
- The grantee's remaining share is greater than \$1000
- The grantee has qualifying capital construction uses for the dollars

Where can I learn more?

- Capital Construction Assistance Board website: <https://www.cde.state.co.us/cdefinance/capconstccab>
- CCAB Meeting Agendas and Minutes: <https://www.cde.state.co.us/cdefinance/ccabminutesandagendas>
- Additional Questions: Ashley Moretti Moretti_A@cde.state.co.us or Andy Stine Stine_A@cde.state.co.us