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DATE: January 19, 2022

TO: Committee Members

FROM: Nancee Robles, Executive Director

RE: Establishing Minimum Point Score Thresholds for 2022 Nine Percent (9%) Applications

Under authority provided in Regulation Section 10305(g), the Committee may establish minimum point thresholds prior to a funding round. Staff is proposing that the Committee do so for the 9% competitive funding rounds in 2022.

Background:

Section 10305(g) states:

The Committee may, at its sole discretion, reject an application if the proposed project fails to meet the minimum point requirements established by the Committee prior to that funding round. The Committee may establish a minimum point requirement for competitive rounds under either Section 10325 or 10326.

The Committee also has authority under Section 10325(c) to reject applications on a case-by-case basis for low scores. In past public forums, stakeholders clearly prefer the Committee to pre-establish a scoring floor, rather than exercise its authority on a case-by-case basis.

Recommendation:

Staff recommends establishing the minimum point threshold for the 2022 competition as follows:

<u>Application Type</u>	<u>Minimum Score</u>	<u>Maximum Score</u>
9% Applications	93 Points	109 Points
9% Native American Apportionment	80 Points	94 Points

Analysis:

The Committee originally adopted recommended pass points in 2007, and this had a helpful effect in (a) signaling prospective applicants that the Committee would not entertain weak applications, and (b) giving staff the ability to efficiently spend its efforts on more meritorious applications. A stronger applicant pool resulted, and almost all funded applications receive maximum scores. Staff believes this would ensure high quality and is confident that adequate demand will remain for the available credits.

Conclusion:

Staff believes setting the recommended pass points for 2022 is prudent public policy. This would avoid expending precious federal and state resources on extremely low-scoring applications that meet relatively few public policy objectives.