

California Department of Education

Executive Office

SBE-005 (REV. 1/2018)

General Waiver

# California State Board of Education May 2021 AgendaItem #W-06

## Subject

Requests by **six local educational agencies** towaive California *Education Code* sections 15102, 15106, 15268, and/or 15270(a) to allow the districts to exceed their bonded indebtedness limits. Total bonded indebtedness may not exceed 1.25 percent of the taxable assessed valuation of property for elementary or high school districts and 2.50 percent of the taxable assessed valuation of property for unified school districts. Depending on the type of bond, a tax rate levy limit of $30 per $100,000 of assessed value for elementary or high school districts and $60 per $100,000 of assessed value for unified school districts may also apply.

## Waiver Numbers

* Alisal Union School District: 18-2-2021
* Central Unified School District: 4-2-2021
* Dublin Unified School District: 7-10-2020
* El Monte Union High School District: 5-2-2021
* Sanger Unified School District: 14-2-2021
* Soledad Unified School District: 9-2-2021

## Type of Action

Action, Consent

## Summary of the Issues

The Alisal Union School District’s (Alisal Union) bonded indebtedness is statutorily limited not to exceed 1.25 percent, which prohibits it from proceeding with its proposed issuance of $12 million from Measure A, which was approved by voters in November 2006, combined with $32 million from Measure M, approved by voters in November 2016, for a cumulative issuance of $44 million. The district is requesting that the State Board of Education (SBE) authorize the district to exceed its statutory bonding capacity limit to a rate up to, but not to exceed, 2.70 percent.

The Central Unified School District’s (Central USD) bonded indebtedness is statutorily limited not to exceed 2.50 percent, which prohibits it from proceeding with its proposed issuance of $120 million from Measure D, which was approved by voters in November 2020. The district is requesting that the SBE authorize the district to exceed its statutory bonding capacity limit to a rate up to, but not to exceed, 4.68 percent.

The Dublin Unified School District’s (Dublin USD) bonded indebtedness is statutorily limited not to exceed 2.50 percent, which prohibits it from proceeding with its proposed issuance of $290 million from Measure J, which was approved by voters in March 2020. The district is requesting that the SBE authorize the district to exceed its statutory bonding capacity limit to a rate up to, but not to exceed, 3.39 percent.

The El Monte Union High School District’s (El Monte Union HSD) bonded indebtedness is statutorily limited not to exceed 1.25 percent, which prohibits it from proceeding with its proposed issuance of $133.57 million from Measure HS, which was approved by voters in November 2018. The district is requesting that the SBE authorize the district to exceed its statutory bonding capacity limit to a rate up to, but not to exceed, 1.60 percent.

The Sanger Unified School District’s (Sanger USD) bonded indebtedness is statutorily limited not to exceed 2.50 percent, which prohibits it from proceeding with its proposed issuance of $25 million from Measure B, which was approved by voters in November 2018, as well $150 million from Measure C, which was approved by voters in November 2020, for a cumulative issuance of $175 million. The district is requesting that the SBE authorize the district to exceed its statutory bonding capacity limit to a rate up to, but not to exceed, 5.97 percent.

The Soledad Unified School District’s (Soledad USD) bonded indebtedness is statutorily limited not to exceed 2.50 percent, which prohibits it from proceeding with its proposed issuance of $25.21 million from Measure G, which was approved by voters in June 2018, as well $13.75 million from Measure N, which was approved by voters in November 2020, for a cumulative issuance of $38.96 million. The district is requesting that the SBE authorize the district to exceed its statutory bonding capacity limit to a rate up to, but not to exceed, 4.01 percent.

## Authority for Waiver

California *Education Code (EC)* Section 33050

## Recommendation

* Approval: No
* Approval with conditions: Yes
* Denial: No

The California Department of Education (CDE) recommends that the bonded indebtedness limit be waived for each of the districts with the following conditions:
(1) the periods of request do not exceed the recommended period on Attachment 1; (2) the total bonded indebtedness does not exceed the recommended new maximum shown on Attachment 1; (3) the districts do not exceed the statutory tax rate; (4) the waivers are limited to the sale of bonds approved by the voters on the measures noted on Attachment 1; and (5) the districts comply with the statutory requirements of Assembly Bill 182 related to school bonds, which became effective on January 1, 2014.

## Summary of Key Issues

The California *EC* provides limits related to a district’s total bonded indebtedness. *EC* sections 15102 and 15268 limit an elementary or high school district’s total general obligation (G.O.) bond indebtedness to 1.25 percent, and *EC* sections 15106 and 15270(a) limit a unified school district’s total G.O. bond indebtedness to 2.50 percent.

To raise funds to build or renovate school facilities, with voter authorization, school districts may issue G.O. bonds. Under Proposition 46, school districts are allowed to increase the property tax rate above one percent for the period necessary to pay off new G.O. bonds if the following conditions are met:

* Two-thirds of those voting in a local election have approved the issuance of the bonds.
* The money raised through the sale of the bonds is exclusively used to purchase or improve land and buildings.

In November 2000, districts were given another option for authorizing and issuing bonds when California voters passed Proposition 39, which allows school bonds to be approved with a 55 percent majority vote if the district abides by several administrative requirements, such as establishing an independent Citizens’ Oversight Committee to oversee the use of the funds. Once G.O. bonds are authorized, school districts issue the bonds in increments as needed to fund their facility projects. When the voters authorize a local G.O. bond, they are simultaneously authorizing a property tax increase to pay the principal and interest on the bond. For Proposition 39 bonds, *EC* Section 15268 limits the tax rate levy authorized in each election to $30 per $100,000 of taxable property for elementary or high school districts and *EC* Section 15270(a) limits the tax rate levy authorized in each election to $60 per $100,000 of taxable property for unified school districts.

Without a waiver, school districts that are close to their bonding capacity must decide either to issue fewer bonds, delay the issuance of bonds until their assessed valuation increases, or obtain other more expensive non-bond financing to complete their projects, the costs of which could be paid from district general funds. Therefore, the CDE has historically recommended that the SBE approve related waiver requests with the condition that the statutory tax levies are not exceeded at the time the bonds are issued.

AB 182 (Chapter 477, Statutes of 2013) has established parameters for the issuance of local education bonds that allow for the compounding of interest, including capital appreciation bonds (CABs). AB 182 requires a district governing board to do the following:

* Before the bond sale, adopt a resolution at a public meeting that includes specific criteria, including being publicly noticed on at least two consecutive meeting agendas.
* Be presented with an agenda item at a public board meeting that provides a financial analysis of the overall costs of the bonds, a comparison to current interest bonds, and reasons why the compounding interest bonds are being recommended.
* After the bond sale, present actual cost information at the next scheduled public meeting and submit the cost information of the sale to the California Debt and Investment Advisory Commission.

### Alisal Union

Alisal Union wishes to proceed with its proposed issuance of $12 million from Measure A, which was approved by voters in November 2006, combined with $32 million from Measure M, approved by voters in November 2016.

The district has a previously approved waiver (Waiver 4-1-2017, Item W-06, <https://www.cde.ca.gov/be/ag/ag/yr17/documents/mar17w06.doc>), which was for an issuance of $37.4 million from Measure M, increasing the district’s outstanding bonded indebtedness limit to 2.35 percent, and it expires on December 31, 2025. The current waiver request is inclusive of the issuances authorized through the March 2017 request. Additionally, Measure M was approved under a 2/3 vote and is not subject to tax rate limitations.

This cumulative issuance of $44 million will be used to modernize classrooms, facilities, and technology infrastructure supporting programs in reading, math, science, and arts; to improve disabled student access; and to repair or replace fire safety, plumbing, and electrical systems. The issuance will increase the district’s outstanding bonded indebtedness limit to a rate up to, but not to exceed, 2.70 percent.

### Central USD

Central USD wishes to proceed with its proposed issuance of $120 million from Measure D, which was approved by voters in November 2020. The district seeks to issue the $120 million over the next five to eight years.

The district has a previously approved waiver (Waiver 10-9-2018, Item W-06, <https://www.cde.ca.gov/be/ag/ag/yr18/documents/nov18w06.docx>), which was for an issuance of $66 million from Measures B and C, increasing the district’s outstanding bonded indebtedness limit to 3.13 percent, and it expires on November 10, 2028. The current waiver request is inclusive of the issuances authorized through the November 2018 request.

The issuance will go toward improving student safety/school security; renovating, constructing and equipping existing classrooms/school facilities; and building a new high school and elementary school. The issuance of $120 million will increase the district’s outstanding bonded indebtedness limit to a rate up to, but not to exceed, 4.68 percent.

### Dublin USD

Dublin USD wishes to proceed with its proposed issuance of $290 million from Measure J, which was approved by voters in March 2020.

The district has a previously approved waiver (Waiver 19-5-2017, Item #W-07, <https://www.cde.ca.gov/be/ag/ag/yr17/documents/sep17w07.doc>), which was for an issuance of $100 million from Measure H, increasing the district’s outstanding bonded indebtedness limit to 3.10 percent, and it expires on June 30, 2023. The current waiver request is inclusive of the issuances authorized through the September 2017 request.

The issuance will go toward modernizing older schools, completing the second comprehensive high school, and constructing a middle school to relieve overcrowding. The issuance of $290 million will increase the district’s outstanding bonded indebtedness limit to a rate up to, but not to exceed, 3.39 percent.

### El Monte Union HSD

El Monte Union HSD wishes to proceed with its proposed issuance of $133.57 million from Measure HS, which was approved by voters in November 2018. The issuance will go toward acquiring, constructing, and repairing schools, facilities, and equipment. The issuance of $133.57 million will increase the district’s outstanding bonded indebtedness limit to a rate up to, but not to exceed, 1.60 percent.

### Sanger USD

Sanger USD wishes to proceed with its proposed issuance of $25 million from Measure B, which was approved by voters in November 2018, as well $150 million from Measure C, which was approved by voters in November 2020, for a cumulative issuance of $175 million. The issuance will go toward reducing overcrowding by completing the Sanger Unified School District Educational Complex, as well as upgrading all district schools. The issuance of $175 million will increase the district’s outstanding bonded indebtedness limit to a rate up to, but not to exceed, 5.97 percent.

### Soledad USD

Soledad USD wishes to proceed with its proposed issuance of $25.21 million from Measure G, which was approved by voters in June 2018, as well $13.75 million from Measure N, which was approved by voters in November 2020, for a cumulative issuance of $38.96 million. The issuance will go toward increasing and improving student access to modern technology, including computers, wiring, and educational software, as well as enhancing the district’s ability to attract and retain highly qualified employees by constructing local teacher-staff rental housing. The issuance of $38.96 million will increase the district’s outstanding bonded indebtedness limit to a rate up to, but not to exceed, 4.01 percent.

### Demographic Information

Alisal Union has a student population of 8,161 and is located in Monterey County.

Central USD has a student population of 15,741 and is located in Fresno County.

Dublin USD has a student population of 12,696 and is located in Alameda County.

El Monte Union HSD has a student population of 8,295 and is located in Los Angeles County.

Sanger USD has a student population of 12,625 and is located in Fresno County.

Soledad USD has a student population of 4,882 and is located in Monterey County.

**Because these are general waivers, if the SBE decides to deny the waivers, it must cite one of the seven reasons in *EC* Section 33051(a), available on the California Legislation Information Web page at** <https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=EDC&sectionNum=33051.>

## Summary of Previous State Board of Education Discussion and Action

The SBE has approved all bond limit waiver requests limited to the sale of already authorized bonds and at the tax rate levy stated on the bond measure.

## Fiscal Analysis

Approval of the waivers would allow the districts to accelerate their issuance of voter-approved bonds.

## Attachments

* **Attachment 1:** Summary Table (6 pages)
* **Attachment 2:** Alisal Union School District General Waiver Request 18-2-2021 (4 pages). (Original waiver request is signed and on file in the Waiver Office.
* **Attachment 3:** Central Unified School District General Waiver Request
4-2-2021 (3 pages). (Original waiver request is signed and on file in the Waiver Office.
* **Attachment 4:** Dublin Unified School District General Waiver Request 7-10-2020 (3 pages). (Original waiver request is signed and on file in the Waiver Office.
* **Attachment 5:** El Monte Union High School District General Waiver Request
5-2-2021 (2 pages). (Original waiver request is signed and on file in the Waiver Office.
* **Attachment 6:** Sanger Unified School District General Waiver Request
14-2-2021 (4 pages). (Original waiver request is signed and on file in the Waiver Office.
* **Attachment 7:** Soledad Unified School District General Waiver Request
9-2-2021 (3 pages). (Original waiver request is signed and on file in the Waiver Office.

# Attachment 1: Summary Table

 California *Education Code* (*EC*) Section 15102 et seq.

| **Waiver Number** | **District** | **Period of Request** | **District’s Request** | **CDE Recommended** | **Bargaining Unit Representatives** | **Local Board, Public Hearing, and Advisory Committee Approval** |
| --- | --- | --- | --- | --- | --- | --- |
| 18-2-2021 | Alisal Union School District | **Requested:**May 7, 2021 to December 31, 2034**Recommended:** May 13, 2021 to December 31, 2034 | **Requested:**Debt Limit: 2.70%**Recommended:**Debt Limit: 2.70% | Debt Limit 2.70%Limited to sale of bonds applicable to Measures A and M, approved by voters in the November 2006 and November 2016 elections | Alisal Teachers Association (ATA)Rebecca Bishop, ATA Representative12/02/2020**Support**California School Employees Association (CSEA) #577Solange K. Inoue, CSEA Representative12/02/2020**Support** | Local Board Approval Date: 2/24/2021Public Hearing Date: 2/24/2021Public Hearing Advertised: Notices of Public Hearing were posted at the school District website, location of public hearing, and advertised widely in the community through local print media via the Salinas Californian News.Alisal Union School District Citizens Bond Oversight Committee2/11/2021**No Objections** |
| 4-2-2021 | Central Unified School District | **Requested:**May 13, 2021 to May 13, 2029**Recommended:** May 13, 2021 to May 13, 2040 | **Requested:**Debt Limit: 4.73%**Recommended:**Debt Limit: 4.68% | Debt Limit: 4.68%Limited to sale of bonds applicable to Measure D, approved by voters in the November 2020 electionTax Rate $60 per $100,000 (authorization approved under Proposition 39) | CSEAPhilip Chacon, President1/14/2021**Neutral**Central Unified Teachers AssociationJudee Martinez, President1/14/2021**Neutral** | Local Board Approval Date: 1/26/2021Public Hearing Date: 1/26/2021Public Hearing Advertised: Posted notice of public hearing at District office and published in local newspaper, The Fresno Bee, both 14 days prior to the meeting date.Citizens Bond Oversight Committee1/13/2021**No Objections** |
| 7-10-2020 | Dublin Unified School District | **Requested:**July 1, 2020 to June 30, 2027**Recommended:** May 13, 2021 to June 30, 2027 | **Requested:**Debt Limit: 3.39%**Recommended:**Debt Limit: 3.39% | Debt Limit: 3.39%Limited to sale of bonds applicable to Measure J, approved by voters in the March 2020 electionTax Rate $60 per $100,000 (authorization approved under Proposition 39) | CSEAKeoki Yee, President8/28/2020**Support**Dublin Teachers AssociationRobbie Kreitz, President8/28/2020**Support** | Local Board Approval Date: 9/08/2020Public Hearing Date: 9/08/2020Public Hearing Advertised: Local Newspaper (Valley Times 8/24/2020)Citizens Bond Oversight Committee10/28/2020**No Objections** |
| 5-2-2021 | El Monte Union High School District | **Requested:**May 1, 2021 to August 1, 2032**Recommended:** May 13, 2021 to August 1, 2032 | **Requested:**Debt Limit: 1.60%**Recommended:**Debt Limit: 1.60% | Debt Limit: 1.60%Limited to sale of bonds applicable to Measure HS, approved by voters in the November 2018 electionTax Rate $30 per $100,000 (authorization approved under Proposition 39) | CSEA Chapter 11Lisa Chambers, President1/13/2021**Support**El Monte Union Educators Association Teachers UnionAnne Bazile, President1/13/2021**Support** | Local Board Approval Date: 1/13/2021Public Hearing Date: 2/03/2021Public Hearing Advertised: Notice was posted at all school sites, the local library, city hall and on the district’s web page.Citizens Bond Oversight Committee1/13/2021**No Objections** |
| 14-2-2021 | Sanger Unified School District | **Requested:**May 14, 2021 to August 1, 2047**Recommended:** May 14, 2021 to August 1, 2047 | **Requested:**Debt Limit: 5.97%**Recommended:**Debt Limit: 5.97% | Debt Limit: 5.97%Limited to sale of bonds applicable to Measures B and C, approved by voters in the November 2018 and November 2020 electionsTax Rate $60 per $100,000 (authorization approved under Proposition 39) | CSEARene Martinez, President1/26/2021**Support**Sanger Unified Teachers AssociationStephanie Alvarado, President1/26/2021**Support** | Local Board Approval Date: 1/26/2021Public Hearing Date: 1/26/2021Public Hearing Advertised: Posted at school sites and advertised on district web site.Bond Oversight Committee2/19/2021**No Objections** |
| 9-2-2021 | Soledad Unified School District | **Requested:**May 13, 2021 to May 13, 2029**Recommended:** May 13, 2021 to May 13, 2036 | **Requested:**Debt Limit: 4.01%**Recommended:**Debt Limit: 4.01% | Debt Limit: 4.01%Limited to sale of bonds applicable to Measures G and N, approved by voters in the June 2018 and November 2020 electionsTax Rate $60 per $100,000 (authorization approved under Proposition 39) | CSEAMonica Santibanez, President1/29/2021**Support**Soledad Teachers AssociationAdam Higgins, President1/26/2021**Neutral** | Local Board Approval Date: 2/10/2021Public Hearing Date: 2/10/2021Public Hearing Advertised: Posted notice of public hearing at District office and published on the District’s Facebook page, both 14 days prior to the meeting date.Board Advisory Council on School Construction1/27/2021**No Objections** |

Created by the California Department of Education

March 2021

# Attachment 2: **Alisal Union School District General** **Waiver Request 18-2-2021**

**California Department of Education**

**WAIVER SUBMISSION – General**

CD Code: 2765961

Waiver Number: 18-2-2021

Active Year: 2021

Date In: 2/25/2021 1:46:00 PM

Local Education Agency: Alisal Union

District Address: 155 Bardin Rd.

Salinas, CA 93905

Start: 5/7/2021

End: 12/31/2034

Waiver Renewal: No

Waiver Topic: School Construction Bonds

*Ed Code* Title: Bond Indebtedness Limit - Non-Unified after 2000

*Ed Code* Section: 15268

*Ed Code* Authority: 33050

*Education Code* or *CCR* to Waive: *EC* 15268. The total amount of bonds issued, including bonds issued pursuant to Chapter 1 (commencing with Section 15100), shall not exceed [1.25 percent] of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located. The bonds may only be issued if the tax rate levied to meet the requirements of Section 18 of Article XVI of the California Constitution in the case of indebtedness incurred by a school district pursuant to this chapter, at a single election, would not exceed thirty dollars ($30) per year per one hundred thousand dollars ($100,000) of taxable property when assessed valuation is projected by the district to increase in accordance with Article XIII?A of the California Constitution. For purposes of this section, the taxable property of a district for any fiscal year shall be calculated to include, but not be limited to, the assessed value of all unitary and operating nonunitary property of the district, which shall be derived by dividing the gross assessed value of the unitary and operating nonunitary property within the district for the 1987–88 fiscal year by the gross assessed value of all unitary and operating nonunitary property within the county in which the district is located for the 1987–88 fiscal year, and multiplying that result by the gross assessed value of all unitary and operating nonunitary property of the county on the last equalized assessment roll.

Outcome Rationale: The Alisal Union School District (“District”) is seeking a waiver of Education Code section 15268, requesting authorization to exceed the statutory debt limit for bonded indebtedness above the applicable 1.25% of current assessed valuation (AV).

Previously, the SBE approved Waiver 4-1-2017 (W-06) in March 2017, which is currently active and dedicated for a separate bond authorization, Measure “M.” Under the authority of Waiver 4-1-2017 (W-06) the Measure “M” bonds are slated for sale in the Fall 2021 to fund new school construction. This current waiver request, if approved, will allow the District to sell Election of 2006, Measure “A” general obligation bonds in the Spring 2021 for basic modernization and school repairs. Based on current estimates, the issuance of $12 million in Measure “A” bonds together with $32 million in Measure “M” bonds is estimated to increase District bonded indebtedness to 2.70% of total assessed value.

Rationale:

In 2006 District voters approved Measure "A" with approximately 65% of support to:

improve safety, upgrade classrooms, and make school repairs; replace leaky roofs and outdated electrical wiring; repair deteriorating restrooms and plumbing; upgrade classrooms and computer labs; build new classrooms to address student enrollment as needed. Measure “A” authorized the District to sell up to $90 million in general obligation bonds. To date the District has sold $17.2 million and has $72 million in authorized and unissued bonds. The Great Recession caused District AV’s to decline significantly by approximately 33% from fiscal year 2009 through 2012, limiting the amount of property tax revenues available to support additional Measure “A” bonds. As a result, the District has had to pause necessary improvements or utilize alternative District revenues to meet various facility funding needs.

Based on continued District growth in AV since 2012, the District can now support additional Measure “A” bonds. The proposed $12 million in Measure “A” Series 2021 bonds are to be repaid by ad-valorem tax levies at an estimated tax rate not to exceed $30 per $100K of assessed value. The bonds will consist primarily of capital appreciation bonds in compliance with the legislative parameters of Assembly Bill 182.

The District proposes to sell approximately $12 million in Measure “A” Series 2021 bonds to carry out needed capital projects to improve the quality of learning environments and support the health and safety of its schools. The District has deferred Measure “A” funding for over a decade. Further deferment is anticipated to cause greater financial costs to the District in the future as school conditions worsen and the cost of repairs increase. Moreover, relying on alternative financing options may come with higher financing costs or financial burden at the expense of supporting core academic programs.

Analysis of Bonded indebtedness:

The District’s current, fiscal year 2020-21 bonded indebtedness is 1.57% of total AV. Previously, under Waiver 4-1-2017 (W-06), the SBE authorized the District to exceed the applicable statutory bonding capacity up to 2.35% of AV to issue bonds from the 2016 election, Measure “M.” The District intends to issue the Measure “M” bonds under Waiver 4-1-2017 (W-06) in Fall 2021 in the amount of $32 million. If so authorized under this new waiver request, the District’s proposed sale of the 2006 election, Measure “A” bonds will precede the Measure “M” bonds in the Summer of 2021. Hence, the $12 million in 2006 election, Measure “A” bonds together with the previously authorized $32 million in 2016 election, Measure “M” bonds is estimated to increase total District bonded indebtedness to 2.7% in fiscal year 2022. The District estimates that it will return within the statutory debt limit of 1.25% of AV by fiscal year 2034.

Student Population: 8,161

City Type: Small

Public Hearing Date: 2/24/2021

Public Hearing Advertised: Notices of Public Hearing were posted at the school District website, location of public hearing, and advertised widely in the community through local print media via the Salinas Californian News.

Local Board Approval Date: 2/24/2021

Community Council Reviewed By: Alisal Union School District Citizen's Bond Oversight Committee

Community Council Reviewed Date: 2/11/2021

Community Council Objection: No

Community Council Objection Explanation:

Audit Penalty Yes or No: No

Categorical Program Monitoring: No

Submitted by: Mr. Miguel Rodriguez

Position: Financial Advisor

E-mail: [miguel@eastshoreconsulting.com](file:///%5C%5CCDE.Cal%5CDATA%5CSFTSDATA%5CSHARED%5CSBE-Waivers-Items%5CWaivers%5C2021%5C05%20May%202021%5CBond%20Waivers%5Cmiguel%40eastshoreconsulting.com)

Telephone: 510-541-8698

Bargaining Unit Date: 12/02/2020

Name: Alisal Teachers Association

Representative: Rebecca Bishop

Title: ATA Representative

Phone: (831) 917-2405

Position: Support

Comments:

Bargaining Unit Date: 12/02/2020

Name: California School Employees Association #577

Representative: Solange K. Inoue

Title: CSEA Representative

Phone: (831) 578-3940

Position: Support

Comments:

# Attachment 3: **Central Unified School District General** **Waiver Request 4-2-2021**

**California Department of Education**

**WAIVER SUBMISSION – General**

CD Code: 1073965

Waiver Number: 4-2-2021

Active Year: 2021

Date In: 2/16/2021 4:08:23 PM

Local Education Agency: Central Unified

District Address: 4605 North Polk Ave.

Fresno, CA 93722

Start: 5/13/2021

End: 5/13/2029

Waiver Renewal: No

Waiver Topic: School Construction Bonds

*Ed Code* Title: Bond Indebtedness Limit - Unified S.D.

*Ed Code* Section: 15106 and 15270(a)

*Ed Code* Authority: 33050

*Education Code* or *CCR* to Waive: *EC* 15106. A unified school district or community college district may issue bonds that, in aggregation with bonds issued pursuant to Section 15270, shall not exceed [2.5] percent of the taxable property of the school district or community college district, or the school facilities improvement district, if applicable, as shown by the last equalized assessment of the county or counties in which the district is located.

*EC* 15270 (a) Notwithstanding Sections 15102 and 15268, any unified school district may issue bonds pursuant to this article that, in aggregation with bonds issued pursuant to Chapter 1 (commencing with Section 15100), may not exceed [2.5] percent of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located. The bonds may only be issued if the tax rate levied to meet the requirements of Section 18 of Article XVI of the California Constitution in the case of indebtedness incurred pursuant to this chapter at a single election, by a unified school district, would not exceed sixty dollars ($60) per year per one hundred thousand dollars ($100,000) of taxable property when assessed valuation is projected by the district to increase in accordance with Article XIII?A of the California Constitution.

Outcome Rationale: On November 3, 2020, District voters approved Measure D, a $120 million general obligation bond measure. In order to continue improving student safety/school security, renovating, constructing and equipping existing classrooms/school facilities and building a new high school and elementary school, the District wishes to issue $120 million in Measure D bonds over the next five to eight years. The bond authorization was approved pursuant to the legal provisions enacted in connection with Prop. 39 and received more than the required 55% affirmative votes. The California *Education Code* provides that general obligation bonds may only be issued if said issuance does not cause a school district to exceed the applicable bonding capacity limitation, which for unified school districts, including the District, is 2.50% of the taxable property of the school district. In November 2018, the District was granted a bond debt limit waiver with a new maximum of 3.13% in order to issue its remaining Measure B and C authorizations. The District requests a waiver of the statutes that impose the 2.50% limit on bonding capacity (*Ed. Code* sections 15106 and 15270) to provide for an amended temporary bonded indebtedness limit of 4.73% of taxable property such that the District can issue all of its voter-approved bonds for important community-supported facility projects.

Student Population: 15,741

City Type: Urban

Public Hearing Date: 1/26/2021

Public Hearing Advertised: Posted notice of public hearing at District office and

published in local newspaper, The Fresno Bee, both 14 days prior to the meeting date.

Local Board Approval Date: 1/26/2021

Community Council Reviewed By: Citizen’s Bond Oversight Committee and full Board reviewed waiver resolution.

Community Council Reviewed Date: 1/13/2021

Community Council Objection: No

Community Council Objection Explanation:

Audit Penalty Yes or No: No

Categorical Program Monitoring: No

Submitted by: Ms. Nicole Roberts

Position: Analyst

E-mail: [nroberts@dalescott.com](file:///%5C%5CCDE.Cal%5CDATA%5CSFTSDATA%5CSHARED%5CSBE-Waivers-Items%5CWaivers%5C2021%5C05%20May%202021%5CBond%20Waivers%5Cnroberts%40dalescott.com)

Telephone: 415-956-1030

Fax: 559-271-8200

Bargaining Unit Date: 1/14/2021

Name: CA Schools Employees Association

Representative: Philip Chacon

Title: President

Phone: 408-433-1234

Position: Neutral

Comments:

Bargaining Unit Date: 1/14/2021

Name: Central Unified Teacher Association

Representative: Judee Martinez

Title: President

Phone: 559-360-5960

Position: Neutral

Comments:

# Attachment 4: **Dublin Unified School District General** **Waiver Request 7-10-2020**

**California Department of Education**

**WAIVER SUBMISSION – General**

CD Code: 0175093

Waiver Number: 7-10-2020

Active Year: 2020

Date In: 10/29/2020 8:54:22 AM

Local Education Agency: Dublin Unified

District Address: 7471 Larkdale Ave.

Dublin, CA 94568

Start: 7/1/2020

End: 6/30/2027

Waiver Renewal: No

Waiver Topic: School Construction Bonds

*Ed Code* Title: Bond Indebtedness Limit - Unified S.D.

*Ed Code* Section: Section 15106 and 15270(a)

*Ed Code* Authority: General Waivers 33050

*Education Code* or *CCR* to Waive: *EC* 15106. A unified school district or community college district may issue bonds that, in aggregation with bonds issued pursuant to Section 15270, shall not exceed [2.5] percent of the taxable property of the school district or community college district, or the school facilities improvement district, if applicable, as shown by the last equalized assessment of the county or counties in which the district is located.

*EC* 15270(a). Notwithstanding Sections 15102 and 15268, any unified school district may issue bonds pursuant to this article that, in aggregation with bonds issued pursuant to Chapter 1 (commencing with Section 15100), may not exceed [2.5] percent of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located. The bonds may only be issued if the tax rate levied to meet the requirements of Section 18 of Article XVI of the California Constitution in the case of indebtedness incurred pursuant to this chapter at a single election, by a unified school district, would not exceed sixty dollars ($60) per year per one hundred thousand dollars ($100,000) of taxable property when assessed valuation is projected by the district to increase in accordance with Article XIII?A of the California Constitution.

Outcome Rationale: The Dublin Unified School District (the “District”) is seeking a waiver of *Education Code* Sections 15106 and 15270(a). Each of these statutes limit the statutory bonding capacity of a unified school district to 2.5% of its current assessed valuation. The District is seeking a waiver to increase its bonding capacity limit to 3.39% of its current assessed valuation for a period of seven years, ending June 30, 2027. The 2020 waiver will be applicable to (i) 2020 Measure J authorization and (ii) 2004 Measure C authorization (in order to replace capital appreciation bonds with current interest bonds). Approval of such waiver would enable the District to issue bonds under its recently approved 2020 Measure J bond authorization without delay, in amounts necessary to keep its bond program moving forward to its scheduled completion. The waiver will also enable the District to replace the outstanding 2004 Measure C Capital Appreciation Bonds (CABs) with more cost-effective Current Interest Bonds (CIBs).

Student Population: 12,696

City Type: Urban

Public Hearing Date: 9/8/2020

Public Hearing Advertised: Local Newspaper (Valley Times 8/24/2020)

Local Board Approval Date: 9/8/2020

Community Council Reviewed By: Citizens Bond Oversight Committee

Community Council Reviewed Date: 10/28/2020

Community Council Objection: No

Community Council Objection Explanation:

Audit Penalty Yes or No: No

Categorical Program Monitoring: No

Submitted by: Mr. Chris Hobbs

Position: Interim Assistant Superintendent, Business Service

E-mail: [hobbschris@dublinusd.org](file:///%5C%5CCDE.Cal%5CDATA%5CSFTSDATA%5CSHARED%5CSBE-Waivers-Items%5CWaivers%5C2021%5C05%20May%202021%5CBond%20Waivers%5Chobbschris%40dublinusd.org)

Telephone: 925-828-2551 x8041

Fax:

Bargaining Unit Date: 08/28/2020

Name: California School Employees Association

Representative: Keoki Yee

Title: President

Phone: 925-828-2551

Position: Support

Comments:

Bargaining Unit Date: 01/11/2021

Name: Dublin Teachers Association

Representative: Robbie Kreitz

Title: President

Phone: 925-828-6227

Position: Support

Comments

# Attachment 5: **El Monte Union High School District General Waiver Request 5-2-2021**

**California Department of Education**

**WAIVER SUBMISSION – General**

CD Code: 1964519

Waiver Number: 5-2-2021

Active Year: 2021

Date In: 2/17/2021 10:06:46 AM

Local Education Agency: El Monte Union High

Address: 785 East Center Ave.

Earlimart, CA 93219

Start: 5/1/2021

End: 8/1/2032

Waiver Renewal: No

Waiver Topic: School Construction Bonds

*Ed Code* Title: Bond Indebtedness Limit - Non-Unified after 2000

*Ed Code* Section: 15102 and 15268

*Ed Code* Authority: 33050

*Education Code* or *CCR* to Waive: *EC* 15102: The total amount of bonds issued pursuant to this chapter and Chapter 1.5 (commencing with Section 15264) shall not exceed [1.25 percent] of the taxable property of the school district or community college district, or the school facilities improvement district, if applicable, as shown by the last equalized assessment of the county or counties in which the district is located.

*EC* 15268: The total amount of bonds issued, including bonds issued pursuant to Chapter 1 (commencing with Section 15100), shall not exceed [1.25 percent] of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located.

Outcome Rationale: On November 6, 2018, voters of El Monte Union High School District approved a $190 million GO Bond Authorization (“Measure HS”). The District currently has approximately $35.4 million of net debt capacity, which is not sufficient to issue to continue necessary projects in a timely manner to avoid future construction cost increases and maximize state matching funds for construction. The District would also like to take advantage of very low interest rates, which ultimately saves taxpayers money. The District does not expect to issue bonds that would cause the tax rate to increase above the legal requirement of $30.00 per $100,000 of assessed valuation. The increase in bonding capacity to 1.60% would allow the District to move ahead with its voter-supported facility improvements without delay and create capacity to issue its remaining Measure HS bonds in the future.

Student Population: 8,295

City Type: Suburban

Public Hearing Date: 2/3/2021

Public Hearing Advertised: Notice was posted at all school sites, the local library, city hall and on the district’s webpage.

Local Board Approval Date: 1/13/2021

Community Council Reviewed By: Citizens Bond Oversight Committee

Community Council Reviewed Date: 1/13/2021

Community Council Objection: No

Community Council Objection Explanation:

Audit Penalty Yes or No: No

Categorical Program Monitoring: No

Submitted by: Mr. Jeff Pickett

Position: Principal, Financial Advisor

E-mail: [jeff@isomadvisors.com](file:///%5C%5CCDE.Cal%5CDATA%5CSFTSDATA%5CSHARED%5CSBE-Waivers-Items%5CWaivers%5C2021%5C05%20May%202021%5CBond%20Waivers%5Cjeff%40isomadvisors.com)

Telephone: 925-478-7450

Fax:

Bargaining Unit Date: 1/13/2021

Name: CSEA Chapter 11

Representative: Lisa Chambers

Title: President

Phone: 626-444-9005

Position: Support

Comments:

Bargaining Unit Date: 1/13/2021

Name: El Monte UEA Teachers Union

Representative: Anne Bazile

Title: President

Phone: 626-444-9005

Position: Support

Comments:

# Attachment 6: **Sanger Unified School District General Waiver Request 14-2-2021**

**California Department of Education**

**WAIVER SUBMISSION – General**

CD Code: 1062414

Waiver Number: 14-2-2021

Active Year: 2021

Date In: 2/22/2021 11:39:18 AM

Local Education Agency: Sanger Unified

Address: 1905 Seventh St.

Sanger, CA 93657

Start: 5/14/2021

End: 8/1/2047

Waiver Renewal: No

Waiver Topic: School Construction Bonds

*Ed Code* Title: Bond Indebtedness Limit - Unified S.D.

*Ed Code* Section: 15106 and 15270

*Ed Code* Authority: 33050-33053

*Education Code* or *CCR* to Waive:

*EC* 15106: A unified school district or community college district may issue bonds that, in aggregation with bonds issued pursuant to Section 15270, shall not exceed [2.5] percent of the taxable property of the school district or community college district, or the school facilities improvement district, if applicable, as shown by the last equalized assessment of the county or counties in which the district is located.

*EC* 15270 (a) Notwithstanding Sections 15102 and 15268, any unified school district may issue bonds pursuant to this article that, in aggregation with bonds issued pursuant to Chapter 1 (commencing with Section 15100), may not exceed [2.5] percent of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located.

Outcome Rationale:

Desired Outcome

The granting of this waiver will permit the Sanger Unified School District to issue up to $25,000,000 in general obligation bonds, as authorized by the District voters on November 6, 2018, and $150,000,000 in general obligation bonds, as authorized by the District voters on November 3, 2020.

Rationale

A. Background

The District was unified in 1965 from the combination of five independent elementary, junior high and high school districts located within the boundaries of the District. The City of Sanger, which is wholly within and near the center of the current District, is located fifteen miles southeast of the City of Fresno, a portion of which is included in the District. Other population centers in the District are the unincorporated communities of Del Rey and Centerville. The District is the fifth largest school district in the County and consists of twenty schools, including three charter schools, an alternative education school, a community day school and an adult school.

On June 8, 1993, over two-thirds of the registered voters of the District approved the authorization to issue bonds of the District in an aggregate principal amount of $26,800,000 (the “1993 Authorization”). The District issued all of the bond authorization through three series of bonds. There is no remaining authorization under the 1993 Authorization.

On June 6, 2006, over 55% of the registered voters of the District approved the authorization to issue bonds of the District in an aggregate principal amount of $30,800,000 (the “2006 Authorization”). The District issued all of the bond authorization through one series of bonds. There is no remaining authorization under the 2006 Authorization.

On November 6, 2012, over 55% of the registered voters of the District approved the authorization to issue bonds of the District in an aggregate principal amount of $50,000,000 (the “2012 Authorization”). The District issued all of the bond authorization through three series of bonds. There is no remaining authorization under the 2012 Authorization.

On November 8, 2016, over 55% of the registered voters of the District approved the authorization to issue bonds of the District in an aggregate principal amount of $60,000,000 (the “2016 Authorization”). The District issued all of the bond authorization through two series of bonds. There is no remaining authorization under the 2016 Authorization.

On November 6, 2018, over 55% of the registered voters of the District approved the authorization to issue bonds of the District in an aggregate principal amount of $70,000,000 (the “2018 Authorization”). The District has issued $45 million to date through two series of bonds. The District anticipates issuing the remaining $25 million in June 2021.

On November 3, 2020, over 55% of the registered voters of the District approved the authorization to issue bonds of the District in an aggregate principal amount of $150,000,000 (the “2020 Authorization”). The District anticipates issuing the first series for $50 million in June 2021.

Altogether, the District has outstanding $169,254,481.65 in bonds outstanding. The District’s assessed valuation for 2020-21 is $4,704,508,607 and with unitary values, the total value is $4,793,156,550. The District’s bond limitation (2.50%) with unitary values is -$49,425,568. The District anticipates needing a waiver in order to issue the $25 million in general obligation bonds approved by voters on November 6, 2018 and $150 million in general obligation bonds approved by voters on November 3, 2020, as described above. The District is requesting the waiver to issue bonds using a 5.97% debt limit factor until August 1, 2047 when the bonding capacity would return to positive with a 2.5% debt limit factor.

B. Financial Information

The attached Bonding Capacity Analysis shows the assessed valuation and existing and proposed debt service requirements.

The bonds approved in 2018 and 2020 were submitted to the voters under Proposition 39. As such, the maximum projected tax rate is $60 per $100,000 assessed valuation per election. The attached analysis shows that the District expects that rate not to be exceeded if the bonds are issued in accordance with the proposed debt issuance plan.

C. Reasons to approve this waiver

1. Approval will permit the District to provide essential learning facilities to its students sooner, rather the waiting until a future fiscal year when the bond indebtedness of the District is expected to fall below the 2.50% limit set forth in the California Education Code.

2. Approval will allow the District to capitalize on lower construction costs.

3, Approval will allow the District to take advantage of low interest rates.

4. Approval will satisfy the will of District voters who, at the 2018 and 2020 elections, reviewed and approved the authorization of $70,000,000 of bonds and $150,000,000 in bonds, respectively.

Student Population: 12,625

City Type: Suburban

Public Hearing Date: 1/26/2021

Public Hearing Advertised: Posted at school sites and advertised on District website

Local Board Approval Date: 1/26/2021

Community Council Reviewed By: Bond Oversight Committee

Community Council Reviewed Date: 2/19/2021

Community Council Objection: No

Community Council Objection Explanation:

Audit Penalty Yes or No: No

Categorical Program Monitoring: No

Submitted by: Ms. Chris Hiatt

Position: District Financial Advisor

E-mail: [chris.hiatt@keygentcorp.com](file:///%5C%5CCDE.Cal%5CDATA%5CSFTSDATA%5CSHARED%5CSBE-Waivers-Items%5CWaivers%5C2021%5C05%20May%202021%5CBond%20Waivers%5Cchris.hiatt%40keygentcorp.com)

Telephone: 310-774-7071

Fax:

Bargaining Unit Date: 01/26/2021

Name: California Schools Employees Association

Representative: Rene Martinez

Title: President

E-mail: [rene\_martinez@sangerusd.net](file:///%5C%5CCDE.Cal%5CDATA%5CSFTSDATA%5CSHARED%5CSBE-Waivers-Items%5CWaivers%5C2021%5C05%20May%202021%5CBond%20Waivers%5Crene_martinez%40sangerusd.net)

Position: Support

Comments:

Bargaining Unit Date: 01/26/2021

Name: Sanger Unified Teachers Association

Representative: Stephanie Alvarado

Title: President

E-mail: [president@suta.info](file:///%5C%5CCDE.Cal%5CDATA%5CSFTSDATA%5CSHARED%5CSBE-Waivers-Items%5CWaivers%5C2021%5C05%20May%202021%5CBond%20Waivers%5Cpresident%40suta.info)

Position: Support

Comments:

# Attachment 7: **Soledad Unified School District General Waiver Request 9-2-2021**

**California Department of Education**

**WAIVER SUBMISSION – General**

CD Code: 2775440

Waiver Number: 9-2-2021

Active Year: 2021

Date In: 2/18/2021 6:14:31 PM

Local Education Agency: Soledad Unified

Address: 1261 Metz Rd.

Soledad, CA 94108

Start: 5/13/2021

End: 5/13/2029

Waiver Renewal: No

Waiver Topic: School Construction Bonds

*Ed Code* Title: Bond Indebtedness Limit - Unified S.D.

*Ed Code* Section: 15106 and 15270(a)

*Ed Code* Authority: 33050

*Education Code* or *CCR* to Waive: *EC* 15106. A unified school district or community college district may issue bonds that, in aggregation with bonds issued pursuant to Section 15270, shall not exceed [2.5] percent of the taxable property of the school district or community college district, or the school facilities improvement district, if applicable, as shown by the last equalized assessment of the county or counties in which the district is located.

*EC* 15270 (a) Notwithstanding Sections 15102 and 15268, any unified school district may issue bonds pursuant to this article that, in aggregation with bonds issued pursuant to Chapter 1 (commencing with Section 15100), may not exceed [2.5] percent of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located. The bonds may only be issued if the tax rate levied to meet the requirements of Section 18 of Article XVI of the California Constitution in the case of indebtedness incurred pursuant to this chapter at a single election, by a unified school district, would not exceed sixty dollars ($60) per year per one hundred thousand dollars ($100,000) of taxable property when assessed valuation is projected by the district to increase in accordance with Article XIII?A of the California Constitution.

Outcome Rationale: On June 5, 2018, District voters approved Measure G, a $25.21 million general obligation bond measure. On November 3, 2020, District voters approved Measure N, a $13.75 million general obligation bond measure. Both bond authorizations were approved pursuant to the legal provisions enacted in connection with Prop. 39 and received more than the required 55% affirmative votes. These bond authorizations will allow the District to renovate classrooms, repair roofs, replace plumbing, complete Main Street Middle School improvements as well as increase and improve student access to computers, educational software and enhance the District’s ability to attract and retain highly qualified employees by constructing local teacher-staff rental housing. The District wishes to issue $25.21 million in Measure G bonds and $13.75 million in Measure N bonds over the next five to eight years. The California *Education Code* provides that general obligation bonds may only be issued if said issuance does not cause a school district to exceed the applicable bonding capacity limitation, which for unified school districts, including the District, is 2.50% of the taxable property of the school district. As of February 2021, this constraint would limit the amount of bonds that could be issued to approximately $9.8 million. The District requests a waiver of the statutes that impose the 2.50% limit on bonding capacity (*Ed. C.* 15106 and 15270) to provide for an amended bonded indebtedness limit of 4.01% of taxable property such that the District can issue all of its voter-approved bonds for important community-supported facilities and technology projects.

Student Population: 4,882

City Type: Urban

Public Hearing Date: 2/10/2021

Public Hearing Advertised: Posted notice of public hearing at District office and published on the District’s Facebook page, both 14 days prior to the meeting date.

Local Board Approval Date: 2/10/2021

Community Council Reviewed By: Board Advisory Council on School Construction (BACSC)

Community Council Reviewed Date: 1/27/2021

Community Council Objection: No

Community Council Objection Explanation:

Audit Penalty Yes or No: No

Categorical Program Monitoring: No

Submitted by: Ms. Nicole Roberts

Position: Analyst

E-mail: [nroberts@dalescott.com](file:///%5C%5CCDE.Cal%5CDATA%5CSFTSDATA%5CSHARED%5CSBE-Waivers-Items%5CWaivers%5C2021%5C05%20May%202021%5CBond%20Waivers%5Cnroberts%40dalescott.com)

Telephone: 415-956-1030

Fax: 831-678-2866

Bargaining Unit Date: 01/29/2021

Name: CA Schools Employees Association

Representative: Monica Santibanez

Title: President

Phone: 408-433-1234

Position: Support

Comments:

Bargaining Unit Date: 01/26/2021

Name: Soledad Teachers Association

Representative: Adam Higgins

Title: President

Phone: 831-678-3987

Position: Neutral

Comments: