

Elk Grove Unified School District

November 8, 2016 Bond Considerations



Robert Pierce
Deputy Superintendent
Business Services and Facilities

August 1, 2016

Outreach and Process Leading to Bond Consideration

- Learning Environment Workshops
- Multiple Board of Education discussions and special workshops
- Community surveys
- Site surveys
- Board of Education Community Meetings
- Superintendent's Certificated and Parent Advisory Committees

Outreach and Process Leading to Bond Consideration

- Various community groups/organizations
- Districtwide Facility Condition Assessment
- Community Master Plan Forums
- Online posting and input solicitation
- Comprehensive Facilities Master Plan
- Multiple Board reports and discussions regarding bond considerations and sizing
- Mailer and survey

Significant Need

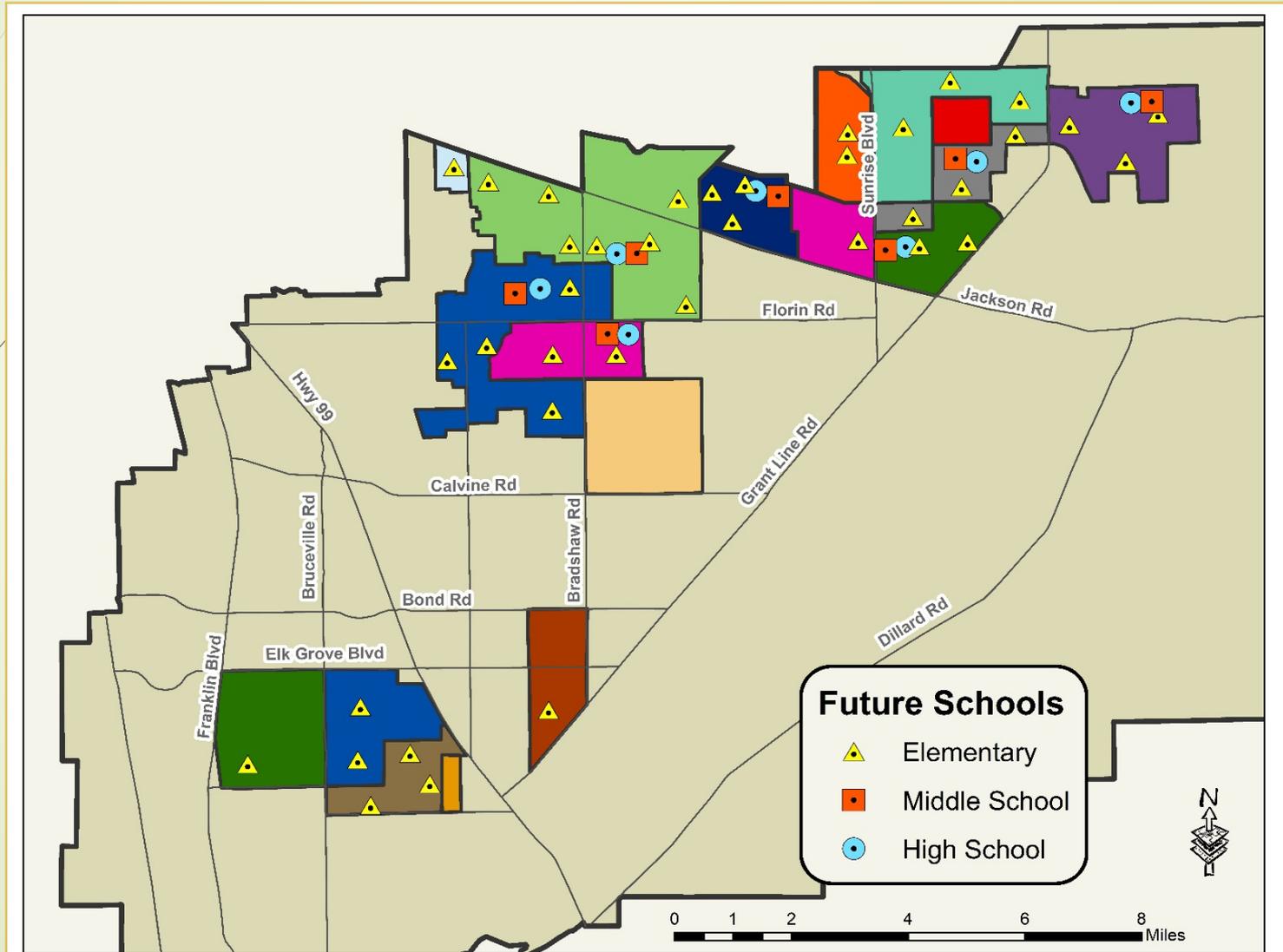
- Serving over 62,000 students
- 5,168,100 square feet of enclosed building area
- 1,184 buildings
- 2,612 classrooms
- 71 sites covering 1,245 acres
- The District benefits from rich diversity

Age of EGUSD Schools

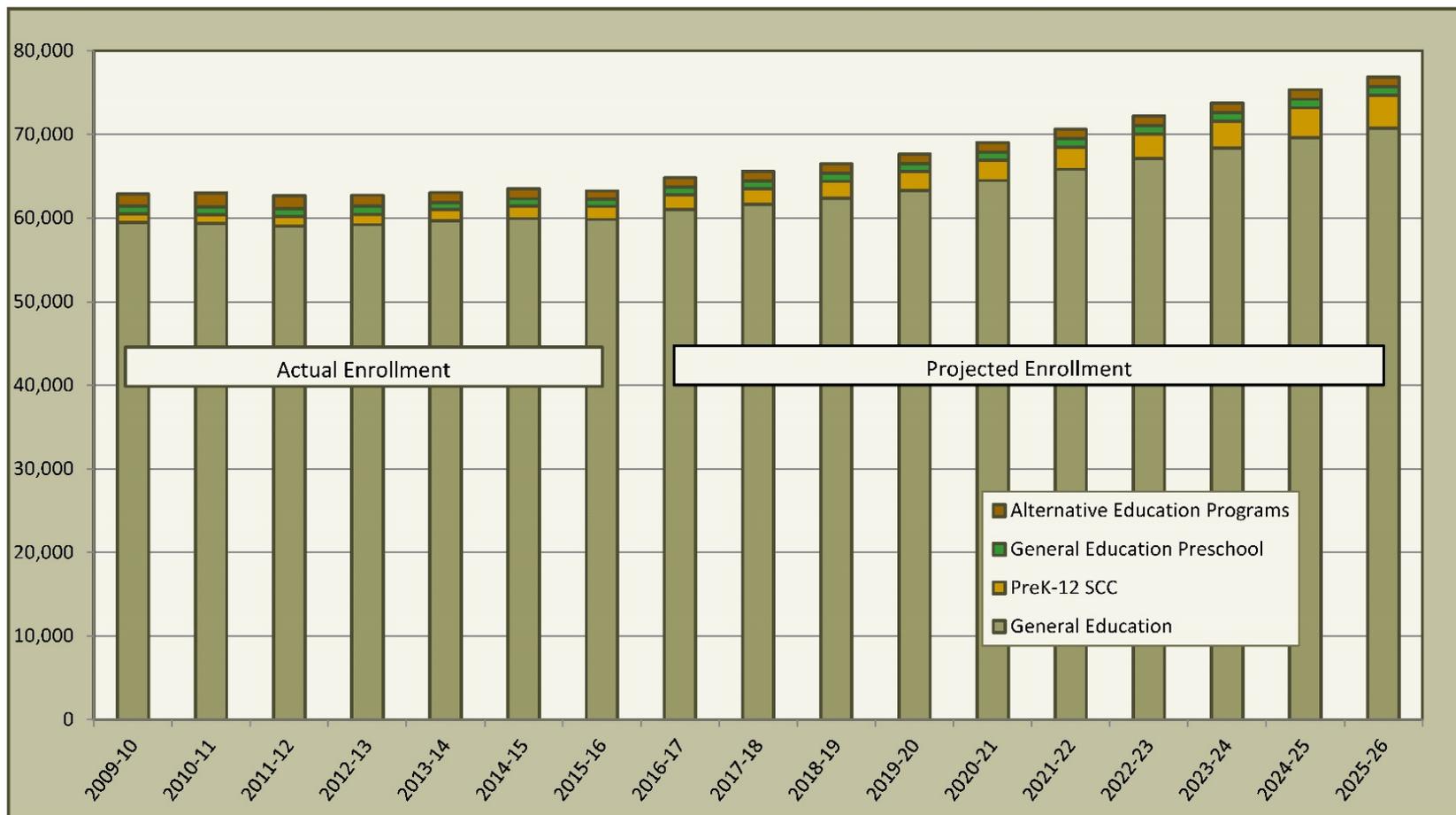
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Up to 10 Years Old (2006 to 2015)		20 to 30 Years Old (1986 to 1995)		50 Years and Older (Before 1966)	
Carroll Elementary	2006	Union House Elementary School	1988	Joseph Kerr Middle School	1935
Sunrise Elementary	2007	Isabelle Jackson Elementary School	1988	Pleasant Grove Elementary School	1950
Elizabeth Pinkerton Middle School	2008	Las Flores Independent Study	1988	Florin Elementary School	1953
Cosumnes Oaks High School	2008	John Reith Elementary School	1989	Franklin Elementary School	1955
Cosumnes River Elementary School	2009	Florin High School	1989	Sierra Enterprise Elementary School	1955
Elk Grove Charter School	2009	John Ehrhardt Elementary School	1991	Anna Kirchgater Elementary School	1956
C.W. Dillard Elementary School	2015	Samuel Jackman Middle School	1991	William Daylor High School	1958
Marion Mix Elementary School	2015	Calvine High School	1991	Samuel Kennedy Elementary School	1963
10 to 20 Years Old (1996 to 2005)		Mary Tsukamoto Elementary School	1992	James A. McKee Elementary School	1963
Maeola R. Beitzel Elementary School	1996	Elk Grove Elementary School	1993	Elk Grove High School	1964
Elitha Donner Elementary School	1997	Foulks Ranch Elementary School	1993	Jessie Baker	1964
T.R. Smedberg Middle School	1997	Harriet G. Eddy Middle School	1994	David Reese Elementary School	1965
Sheldon High School	1997	Laguna Creek High School	1994		
Arthur C. Butler Elementary School	1998	Barbara Comstock Morse Elementary School	1995		
Joseph Sims Elementary School	1999	30 to 40 Years Old (1976 to 1985)			
Raymond Case Elementary School	2000	Rio Cazadero Alternative High School	1978		
Stone Lake Elementary School	2000	Florence Markofer Elementary School	1980		
Irene B. West Elementary School	2002	Ellen Feickert Elementary School	1981		
Robert J. Fite Elementary School	2002	Prairie Elementary School	1981		
Elliott Ranch Elementary School	2002	40 Years and Older (1966 to 1975)			
Toby Johnson Middle School	2002	Charles E. Mack Elementary School	1966		
Franklin High School	2002	James Rutter Middle School	1966		
Edna Batey Elementary School	2003	Adult & Community Education	1970		
Arlene Hein Elementary School	2004	Herman Leimbach Elementary School	1972		
Roy Herburger Elementary School	2004	Valley High School	1977		
Edward Harris, Jr. Middle School	2004				
Monterey Trail High School	2004				
Arnold Adreani Elementary School	2005				
Helen Carr Castello Elementary School	2005				
Katherine L. Albiani Middle School	2005				
Pleasant Grove High School	2005				

Planned Residential Development



Projected Enrollment



Total Identified Needs

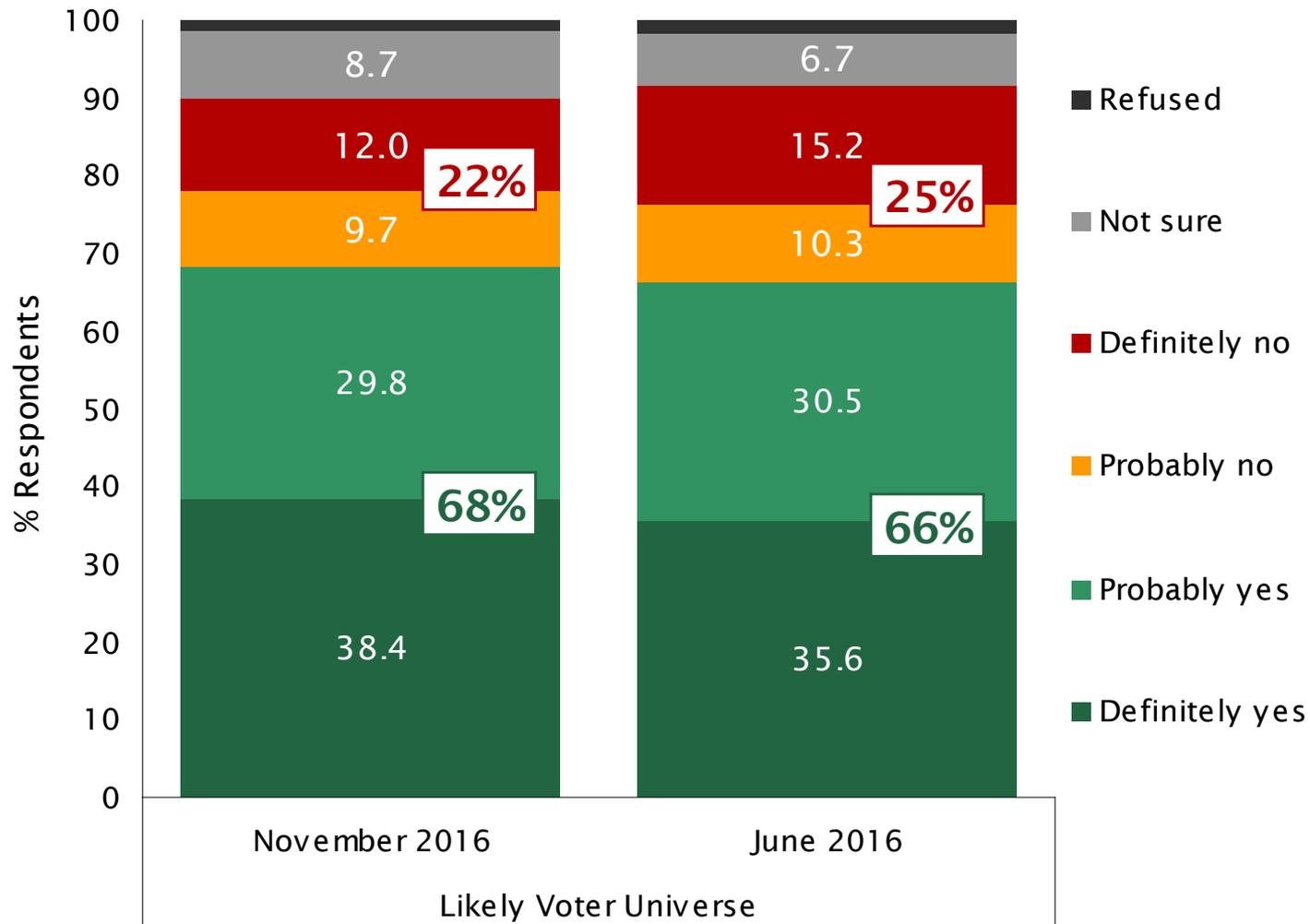
Total Facilities Master Plan Program	
Facilities Condition Assessment	\$585,662,988
Modernization	\$358,189,298
Additional District Identified Needs	\$39,687,691
Other District Priorities	\$60,000,000
Total Cost for Additional Students	\$633,725,148
Total	\$1,677,265,125

Public Opinion Survey

- Determine how familiar the community is with the District and the District's facility needs
- Gauge community support for a local bond measure and identify feasibility
- Identify how best to align local funding solutions and create a measure consistent with community priorities
- Gather information needed for communications & outreach

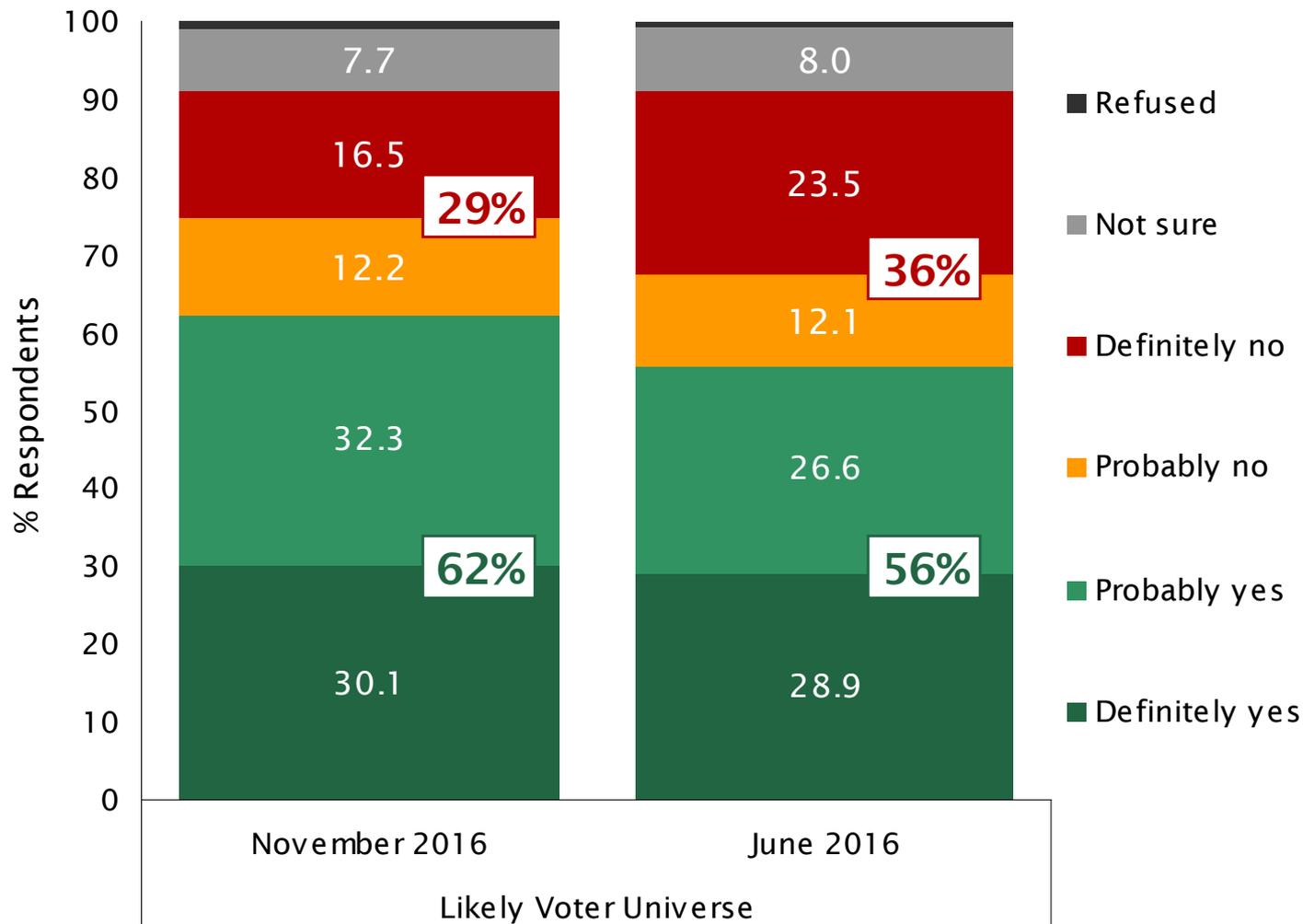
Initial Ballot Test

10



Final Ballot Test

11



The Good News: Needs/Priorities Alignment

EGUSD Needs

- **Improve student safety and campus security systems**
- **Repair and modernize classrooms and school facilities, including repairing deteriorating roofs, plumbing, heating, and air conditioning systems**
- **Upgrade career-technical education facilities, classrooms, labs, and instructional technology to support student achievement in math, science, engineering, arts, and skilled trades**
- **Construct new schools to relieve overcrowding**

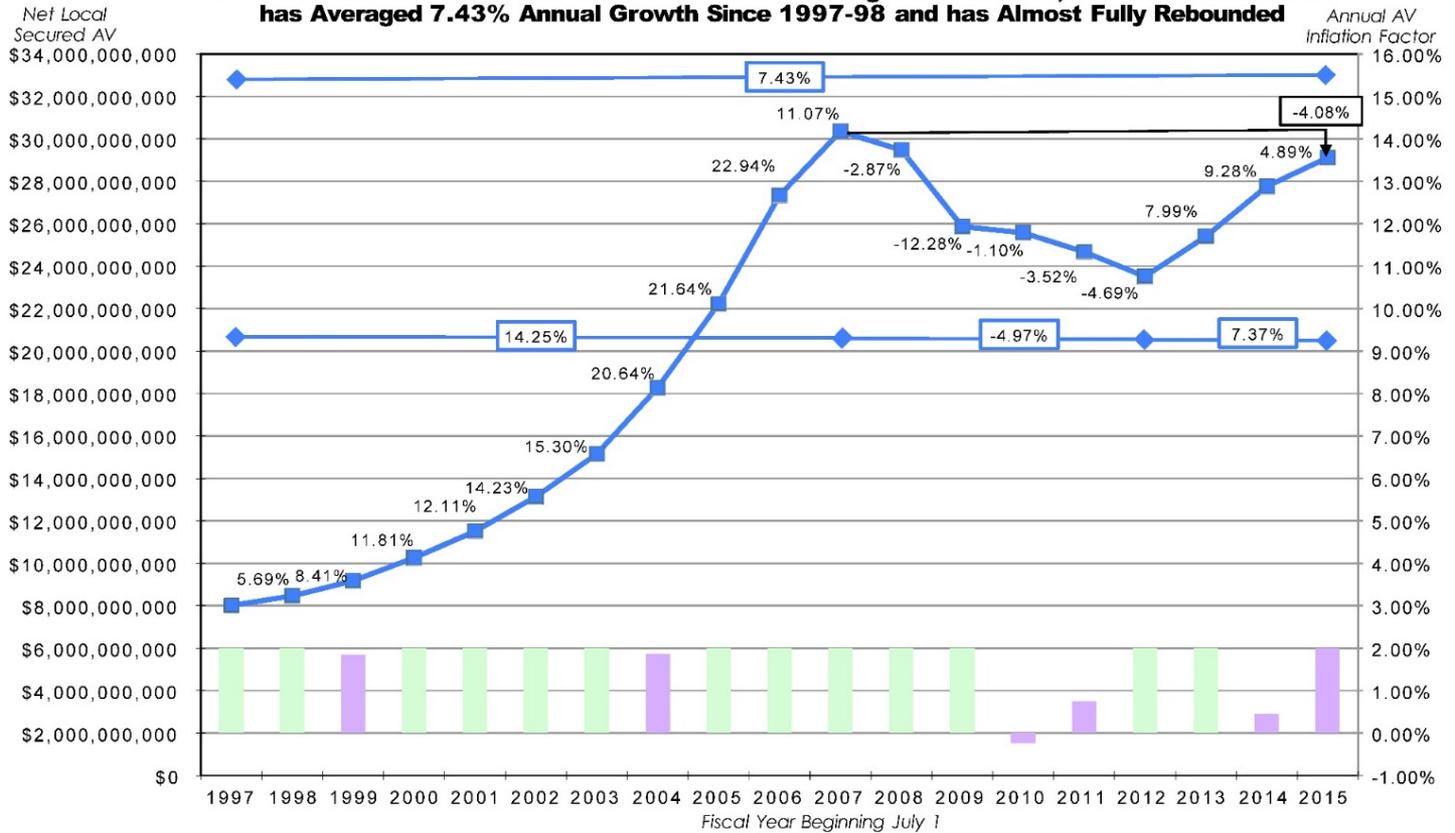
Voter Priorities

Bond Authorization & Tax Rate



Elk Grove Unified School District

While the District's Assessed Valuation Declined During the Recession, Net Local Secured AV has Averaged 7.43% Annual Growth Since 1997-98 and has Almost Fully Rebounded



Historic data provided by Sacramento County. The District's total AV is comprised of net local secured, utility, homeowners exemption, and unsecured values. Since 1997-98, net local secured has annually comprised 94% - 97% of the District's total AV, and is comprised of 105,936 parcels. As individually the other components are relatively small and tend to be subject to less predictable volatility, the AV focuses on net local secured. Date ranges show compounded annual growth rates, while other changes shows year-over-year changes. Annual California AV inflation factor provided by the California State Board of Equalization, and is the lesser of the annual change in the CA CCPI or 2%.

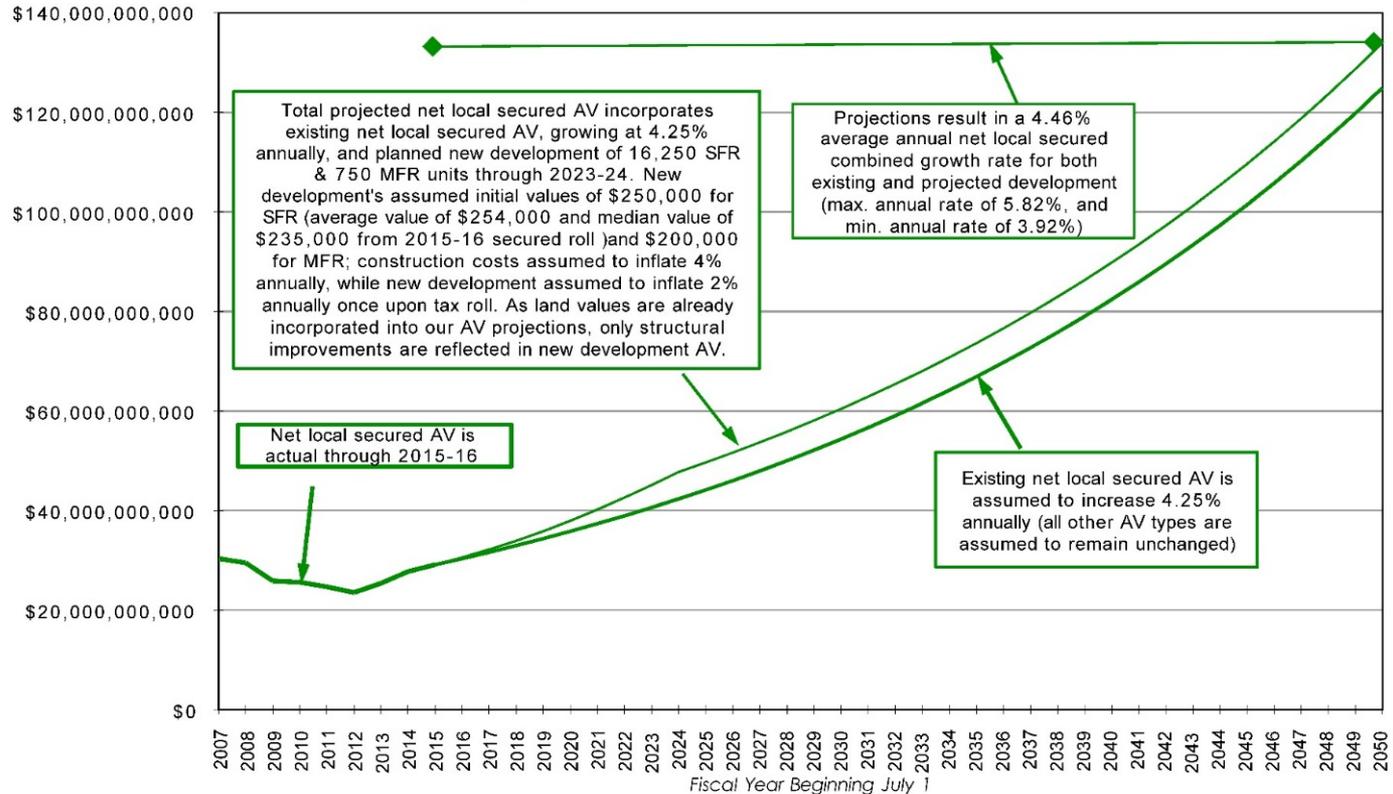
Bond Authorization & Tax Rate

Elk Grove Unified School District



Net Local Secured Assessed Value

New Development Leads to Increased District Assessed Value



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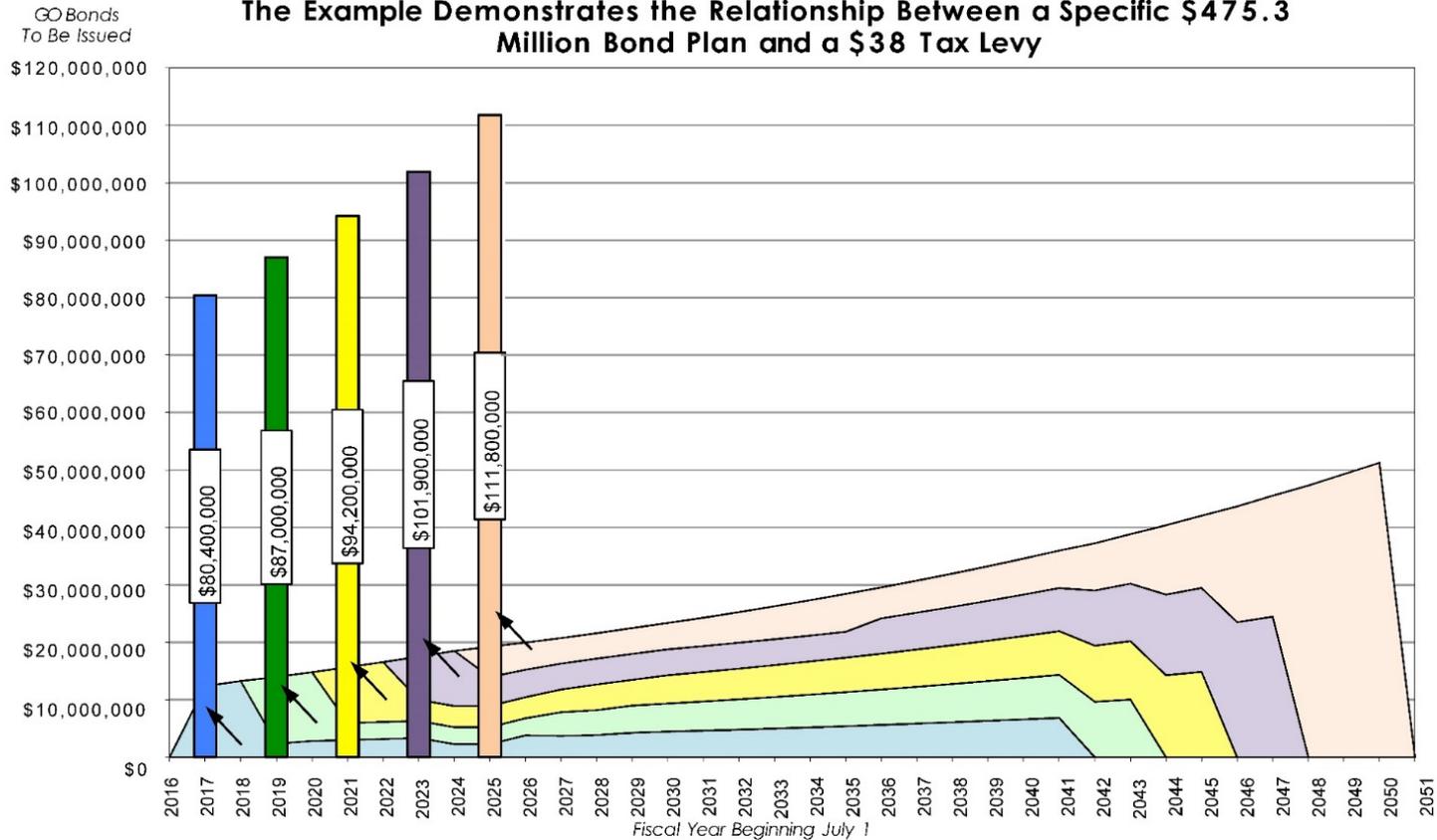
Bond Authorization & Tax Rate

15

Elk Grove Unified School District



The Example Demonstrates the Relationship Between a Specific \$475.3 Million Bond Plan and a \$38 Tax Levy



Debt service based on MMD "AAA" rates as of June 28, 2016, adjusted +85bp for assumed "A+" rating, plus timing adjustments for potential rate increasing prior to bond issuance of +125bp (2017), +150bp (2019), +175bp (2021), +200bp (2023), & +250bp (2025) and +180bp for callable capital appreciation bonds. Existing net local secured AV is assumed to grow 4.25% annually, whereas new development will increase 4% annually prior to development and 2% annually thereafter, while all other AV types are assumed to remain unchanged.

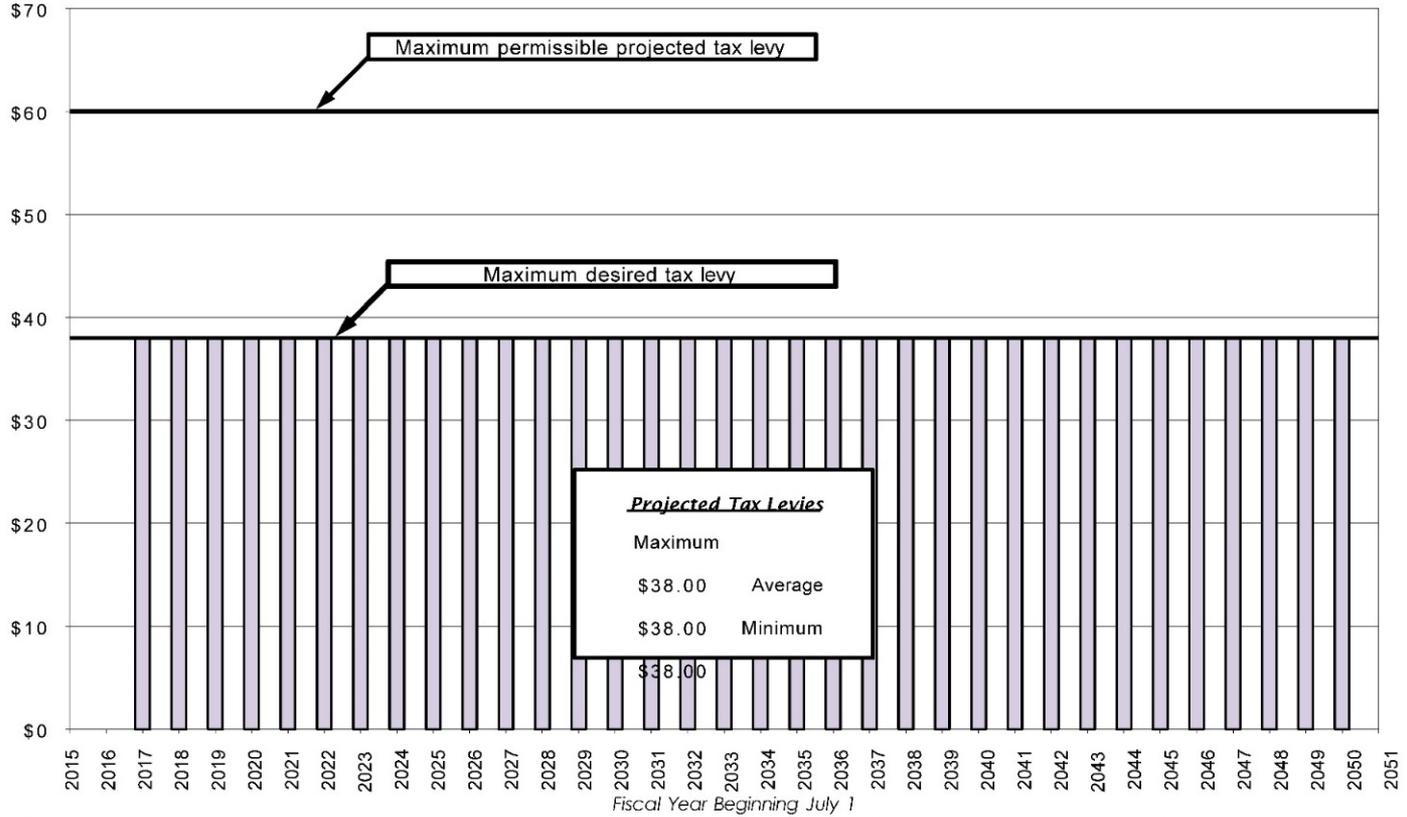
Bond Authorization & Tax Rate



Elk Grove Unified School District

Tax Levies are Projected at the Desired \$38, Below the Desired Maximum Allowable \$60 per \$100,000 of Assessed Value Projection for a 55% Voter Approval Bond Measure

Tax Levy per \$100,000 of AV



Existing net local secured AV is assumed to grow 4.25% annually, whereas new development will increase 4% annually prior to development and 2% annually thereafter, while all other AV types are assumed to remain unchanged.

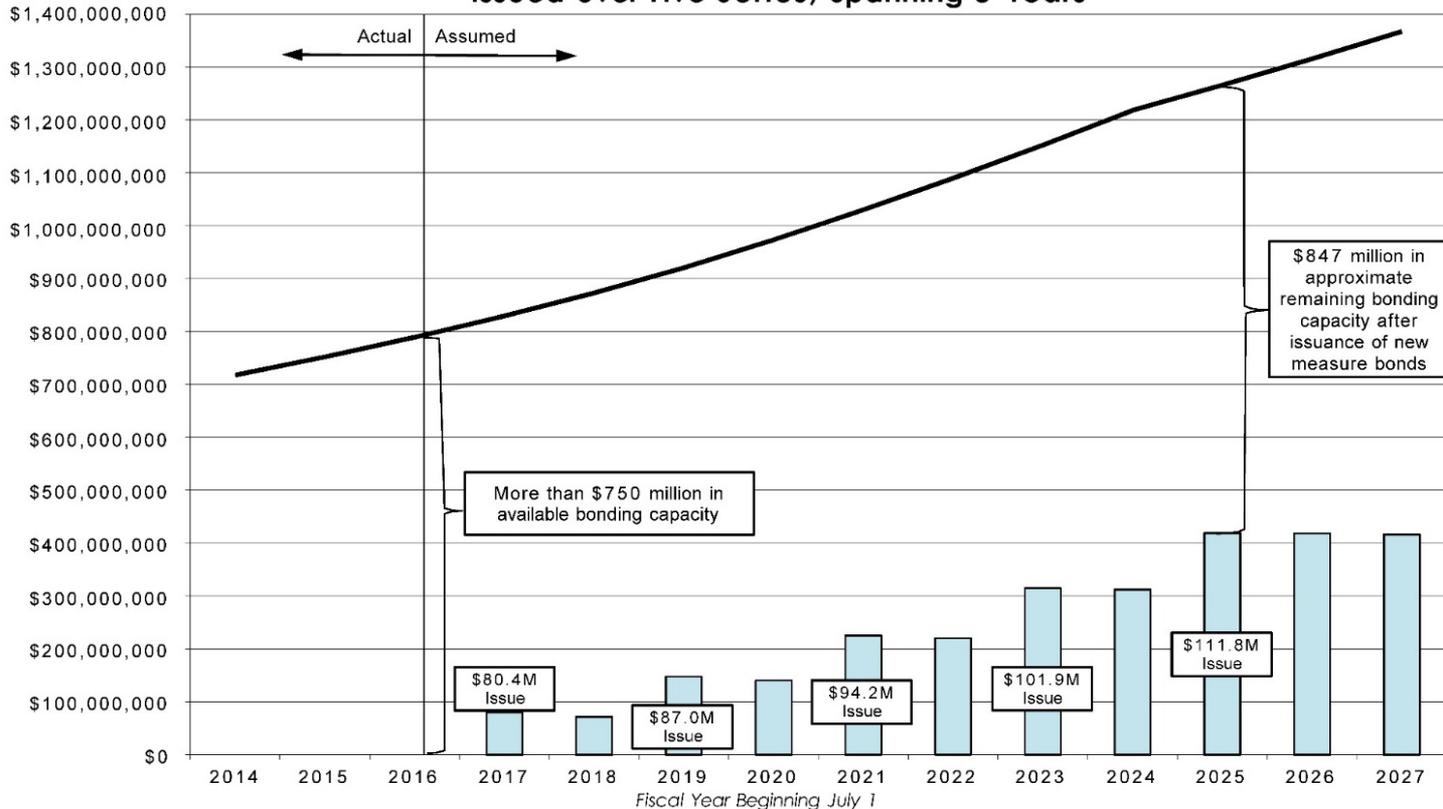
Bond Authorization & Tax Rate

Elk Grove Unified School District



Bonding Capacity is Not a Hindrance for \$475.3 Million Bond Measure Issued over Five Series, Spanning 8 Years

Bonding Capacity/
Outstanding Bonds



Unified district's bonding capacity is 2.5% of total AV. Existing net local secured AV is assumed to grow 4.25% annually, whereas new development will increase 4% annually prior to development and 2% annually thereafter, while all other AV types are assumed to remain unchanged.

Continued Outreach and Communication

- Outreach & communications are critical so voters understand the need, the plan, accountabilities, and the benefits to their particular communities
 - Mailer and survey
 - Schools to receive site specific information
 - Significant ongoing outreach by District Administration, Trustees, and others

Mailer and Survey Feedback

- **87,498** mailers
- **256** survey responses (12 by telephone)
- **37** Respondents expressed opposition
- **219** Respondents expressed support or no opposition

Mailer and Survey Priorities

20

1. IMPROVE student safety and campus security systems, including security lighting, security cameras, security fencing, fire alarms and sprinklers.
2. REPAIR OR REPLACE deteriorating roofs, plumbing, and HVAC
3. UPDATE instructional technology in the classroom for improved student learning in core subjects.
4. PROVIDE classrooms and labs for career technical education and technology courses in fields like health sciences, engineering, technology and skilled trades
5. MODERNIZE classrooms, labs, and school facilities to create 21st Century learning environments that support high student achievement.
6. IMPROVE heating, ventilation, lighting, insulation, doors and windows to increase energy efficiency and save money.
7. IMPROVE access to school facilities for students and individuals with disabilities.

Local Bond Key Conclusions

21

- Is the need present? **Yes.**
 - Nearly \$1.7 billion in identified needs over the next decade
- Is it feasible to move forward with a bond measure? **Yes.**
 - Voters perceive that maintaining the quality of education is among the most important issues facing the community with strong natural support (68%)
- Is there bonding capacity? **Yes.**
 - The structure of the proposed bond is well below the District's available bonding capacity
 - Unlike most Districts, EGUSD has never proposed or passed a General Obligation Bond

Local Bond Recommendations

- Tax rate: \$38 per \$100K Assessed Value
 - Within voters' comfort zone
- Bond authorization of \$476 million
- Project list consistent with Facilities Master Plan identified needs and aligned with community and voter priorities
- Board appointed Citizen's Oversight Committee
- Election date – **November 8, 2016**

Feedback . . .
Questions . . .

