

Proposition R: Santee Elementary School District Bond Measure

<b>Staff Recommendation:</b>	<b>SUPPORT</b>
<b>Issues Committee Recommendation (9/8/06):</b> (Pending CEO Approval of Deferred Maintenance Plan)	<b>SUPPORT</b>
<b>Executive Committee Recommendation:</b>	<b>NOT APPLICABLE</b>
<b>Board Recommendation (9/15/06):</b>	<b>SUPPORT</b>

**Rationale:**

The Issues Committee unanimously supported this measure for a number of reasons. The Santee School District has not received bond funding in over 30 years, and has operated at a high student performance level despite inadequate facilities. Even though the District has seen declining enrollment over the years, new development projects within the city of Santee are expected to dramatically increase enrollment numbers. Due to condensing facilities to account for low enrollment rates, the District is able to sell-off land in order to provide additional revenue for future construction. The District is also anticipating receiving \$20 million in State Matching Funds that will be allocated towards their Master Plan.

SDCTA has opposed the two previous education bond measures put forth by the Santee School District, Proposition J and Proposition Y, due to lack of clarification in the details of the use of funds generated by the tax. Within this proposal, the Santee School District has fulfilled all of the criteria points set forth by SDCTA. It has been 37 years since the District has passed a school bond measure, and the increase in development within the city requires a need to modernize, upgrade facilities, and replace trailers with classrooms at all local elementary schools.

**Background:**

The Santee School District last received bond funding in 1969, when Santee residents voted to build Hill Creek School. Two previous bonds have failed in the past two years, Proposition Y in November of 2004 and Proposition J in March of 2004.

Proposition J was a measure that would have imposed a parcel tax of \$60 a year for each residential parcel, and \$400 per non-residential, commercial, or industrial parcels. Proposition J was opposed by SDCTA in March of 2004 because it did not contain a detailed plan for the use of the special tax revenues which would have resulted if the measure passed. The district promoted this tax by stating that no proceeds were to go to administrator salaries, but staff and teacher salaries were eligible for funding.<sup>1</sup> 55% of the electorate voted in favor of the measure, failing to reach the 2/3 vote necessary for passage.

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<sup>1</sup> Proposition J: Santee School District Special Parcel Assessment for Elementary Education.

Proposition Y was supported by the Issues Committee and the Executive Committee, but was not supported by the Board. Proposition Y was an updated version of Proposition J, which intended to levy a \$60 per year residential parcel tax and a \$400 per year for each commercial, industrial, or other non-residential parcel tax within the School District, annually for 5 years. The difference in this measure was that it was program specific, and included an oversight of funds.<sup>2</sup> 60% of the electorate voted in favor of the measure, failing to reach the 2/3 vote necessary for passage.

**Development within Santee**

According to SANDAG’s long range population projections, over the 30 year period between 2000 and 2030, the population within the District’s boundaries is projected to see a 34.8% increase in population, from approximately 56,000 in 2000 to 75,500 in 2030.<sup>3</sup>

The Fanita Ranch project led by Barratt American is projected to construct an additional 1,380 homes by 2007. The project takes up an estimated 2,600 acres and is approximately 25% of the city of Santee.<sup>4</sup> Other development projects within the District’s boundaries include Castlerock, Sky Ranch, Riverwalk, Trviso, and other various projects.

**Development Projects Within District Boundaries**

<b>Development Project</b>	<b>Number of Units</b>	<b>Number of Students Generated</b>
Fanita Ranch	1,380	690
Castlerock	498	249
Sky Ranch	373	187
Riverwalk	218	109
Trviso	186	93
Other	901	451
<b>Total</b>	<b>3,556</b>	<b>1,779</b>

**Proposal:**

This measure would allow the Santee Unified School District to issue \$60 million in bonds that would be used to renovate, upgrade and provide major repair of existing school facilities, related facilities costs, or the acquisition or lease of real property for schools and school facilities.

The language before voters will read as follows:

<sup>2</sup> Proposition Y: Santee School District Parcel Assessment for Elementary Educational Programs and Services.

<sup>3</sup> “Demographic Study for the Santee Elementary School District”, Capitol Public Finance Group, LLC.

<sup>4</sup> www.barrattamerican.com

“To improve the quality of education, shall the Santee School District modernize classroom facilities upgrade safety systems, enhance technology, improve traffic flow, and indoor/outdoor learning spaces, provide improved access for persons with disabilities, enhance technology and science lab facilities, and provide additional classrooms by issuing \$60,000,000 of bonds at an interest rate not to exceed the statutory limit, with a citizens’ oversight committee, independent audits, and no money for salaries or administration.”<sup>5</sup>

This \$60 million is only a portion of the \$165 million needed to fully modernize Santee campuses. The district will apply for \$20 million in state matching funds, and use proceeds from the sale of the former Santee Elementary School site and other surplus properties.

**Project List**

<b>Cajon Park School</b>	<b>Carlton Hills</b>	<b>Carlton Oaks</b>
Constructing/installing Technology/Library Center	Constructing/installing Technology/Library Center	Constructing/installing Technology/Library Center
Construction of new 6-8 learning center	Construction of new 6-8 learning center	Construction of new 6-8 learning center
Modernization of Athletic and Physical Education Facilities	Modernization of Athletic and Physical Education Facilities	Modernization of Athletic and Physical Education Facilities
Modernization Projects (Priority 2)	Modernization Projects (Priority 2)	Modernization Projects (Priority 2)
Facilities Improvement Projects (Priority 3)	Facilities Improvement Projects (Priority 3)	Facilities Improvement Projects (Priority 3)
<b>Chet F. Harritt</b>	<b>Hill Creek</b>	<b>Pepper Drive</b>
Constructing/installing Technology/Library Center	Constructing/installing Technology/Library Center	Constructing/installing Technology/Library Center
Construction of new 6-8 learning center	Construction of new 6-8 learning center	Construction of new 6-8 learning center
Modernization of Athletic and Physical Education Facilities	Modernization of Athletic and Physical Education Facilities	Modernization of Athletic and Physical Education Facilities
Modernization Projects (Priority 2)	Modernization Projects (Priority 2)	Modernization Projects (Priority 2)
Facilities Improvement Projects (Priority 3)	Facilities Improvement Projects (Priority 3)	Facilities Improvement Projects (Priority 3)
		Address Parking Safety
<b>Prospect Avenue</b>	<b>Rio Seco</b>	<b>Sycamore Canyon</b>
Constructing/installing Technology/Library Center	Constructing/installing Technology/Library Center	Constructing/installing Technology/Library Center
Modernization of Athletic and Physical Education Facilities	Construction of new 6-8 learning center	Modernization of Athletic and Physical Education Facilities
Modernization Projects (Priority 2)	Modernization of Athletic and Physical Education Facilities	Modernization Projects (Priority 2)
Facilities Improvement Projects (Priority 3)	Modernization Projects (Priority 2)	Facilities Improvement Projects (Priority 3)
	Facilities Improvement Projects (Priority 3)	
	Address Parking Safety	

<sup>5</sup> Full Text of Ballot Proposition R

## **Fiscal Effects:**

This bond would require residents to pay an additional \$29.98 per \$100,000 of assessed property for the next 25 years. The average assessed value of a home in Santee is \$214,339; therefore a homeowner can expect to pay an additional \$64.26 a year in property taxes.<sup>6</sup> Santee residents would be expected to pay an additional \$71,498,187 in interest, plus the \$60 million principle, equaling a total \$131,498,187 General Obligation Debt Service. The interest rate on any bond, which is established at the time of the bond issuance, cannot exceed 12% per annum.

## **SDCTA Criteria**

- 1) **Clear Evidence of Genuine Need for Bond Measure Projects:** The last bond measure that was passed by the Santee Unified School District was in 1969. Despite dilapidated classrooms with decades-old technology, students within the district continue to perform well academically. After comparing the Santee School District with other districts within the County, it can be stated that there is a need for funds within this district. The average daily attendance (ADA) for the District during the 2004-05 school year was 6,540 students. During that year, the District's total expenditure per student was \$7,312. The average total expenditure per student for the county was \$8,660 during the 2004-05 school year. Santee Elementary School District was 20% below the average total expenditure per student.<sup>7</sup>
- 2) **Deferred Maintenance and Major Repair & Replacement Plan:** Attached is a copy of the deferred maintenance plan, as well as a copy of the project list cost estimates presented by the Santee School District. Annually, the Santee School District generally funds \$260,000 a year, or .5% towards deferred maintenance. The District does not plan to use any of the bond proceeds for deferred maintenance projects.
- 3) **Evidence that the Bond is Designed to Meet the Identified Needs in the Bond:** Attached is a figure that outlines the cost estimates of the plans prepared for each elementary school within the district, along with the cost of each project at each school. All modernization plans and costs of new buildings are outlined within this chart.
- 4) **Long Term Financial Needs Assessment:** The number of residential units that are expected to be constructed within the City of Santee by 2020 is 5,619. Of these units, 2,905 are currently located within the Fanita Ranch Project, with the remaining units coming from assorted other residential developments or fill-projects. The total projected enrollment within the district is expected to be 10,686: 3,509 more students than capacity.
- 5) **Provision for an "Independent Citizens' Oversight Committee":** Section 11 of the Bond Resolution addresses the creation of the Independent Citizens' Oversight Committee (ICOC). Members of the ICOC will be appointed at a regular scheduled Board meeting, and will include construction, finance or other

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<sup>6</sup> [www.homegain.com](http://www.homegain.com),  $(\$214,339/\$100,000) \times \$29.98$

<sup>7</sup> [www.ed-data.k12.ca.us](http://www.ed-data.k12.ca.us).

qualified professional in its membership. The ICOC will review, provide comments to the Board on bond measure expenditure plans, bond measure-related staffing and consultants and the District’s deferred maintenance plans. The ICOC will be advisory only, and shall not replace or impede the activities or decisions of the District’s Board of Education.

- 6) **Limit Uses of District’s “Education” Funds:** California election laws prohibit public agencies from using public funds to campaign for or against an election contest.
- 7) **Joint Use of Facilities:** The District has placed within the proposal language that states the “District should pursue identified opportunities to expand the use and availability of community joint use facilities.”
- 8) **Opposition to Special Elections:** This measure is not placed on a special election ballot.
- 9) **Fund Purposes:** By law, bond funds can only be spent on repair and improvement projects. None of the funds will be used to pay for teachers’ or administrators’ salaries or for other District operating purposes.

**Existing/Future Enrollment**

**Existing School Facilities Capacity**

School Facility	Grades Served	Student Capacity*	Current Enrollment	Projected Student Enrollment by 2010-11
Cajon Park	K-8	983	961	1,424
Carlton Hills	K-8	611	571	405
Carlton Oaks	K-8	835	800	1,134
Chet F. Harritt	K-8	550	635	656
Hill Creek	K-8	925	784	850
Pepper Drive	K-8	651	702	925
Prospect Avenue	K-8	569	457	358
Rio Seco	K-8	865	808	804
Sycamore Canyon	K-6	547	282	479
<b>Total</b>		<b>6,536</b>	<b>6,000</b>	<b>7,035</b>

\*Capacity excludes all portables currently being leased by the District and is based on the new school facility guideline established by the District.

**Arguments of the Proponents:**

- Will provide modern facilities that will greatly enhance quality of learning.
- Will result in improved property values for all Santee residents.
- Revitalize and expand media centers, computer and science labs, renovate playgrounds and athletic fields for school and community use, and rehabilitate classrooms.

### **Signors for the Arguments in Support of Prop. R:**

- Barbara Ryan – President, Santee Board of Education
- Rob McNelis – President, East County Association of Realtors
- Jim Montague – Vice President, County Mobilehome Owner’s Positive Action Committee
- Elana Levens Craig – President, PTA Council
- Gene Chubb – Owner, RCP Block and Brick Santee Employer and Business Leader

### **Arguments of the Opponents:**

- There is over forty billion dollars’ worth of state bonds on the ballot.
- In San Diego County, there are 6 bond measures totaling over 3 billion dollars – all of which involve tax increases.
- Over 90% of private schools in San Diego County charge less tuition than what we taxpayers are now spending on public school students. Usually a lot less – often more than 60% less than public schoolings total costs.

### **Signors for the Arguments in Opposition to Prop. R:**

- Steven L. Green – Former Chairperson, San Diego Libertarian Party
- Michael Benoit – Vice Chair, San Diego Libertarian Party
- Robert D. Hild – I.T. Manage
- Richard Rider – Chair, San Diego Tax Fighters

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