

Proposition E: Rancho Santa Fe School District Bond Measure

Staff Recommendation: **OPPOSE**

Board Recommendation: **OPPOSE**

Rationale:

The Association cannot be assured that the District will be able to meet the commitments promised to voters in this bond proposal, as the project costs are still “rough estimates” according to the District. The facilities have not yet been designed, and therefore it is impossible to determine if the \$34 million bond measure is sufficient to pay for the items listed on the project list.

The District conducted a facilities needs assessment report in 2007 that outlined \$46 million in total needs. It is unclear if the District intends to return to voters in the future with another bond to pay for the remaining projects. A Master Plan has not been adopted by the District.

Background:

The Rancho Santa Fe School District last received bond funding in 2004, when voters approved Proposition K, a \$4.8 million school bond measure.

The District has expended approximately \$1.8 million of Proposition K funds, leaving \$3 million available for ADA upgrades, technology enhancements, structural, electrical and fire system upgrades at the R. Roger Rowe campus.

The current measure seeks approval of \$34 million in general obligation bonds. The District in turn anticipates receiving an additional \$1.7 million in state matching funds, and \$151,000 in developer fees to complete a \$36 million program.

Proposal:

The Rancho Santa Fe School District has proposed a bond measure for the February 2008 election that reads as follows:

“To provide competitive educational facilities, reduce overcrowding, renovate playgrounds, improve campus safety, improve traffic circulation and provide technology upgrades, shall the Rancho Santa Fe School District issue \$34 million of bonds at legal rates to repair, construct and equip new permanent and renovated facilities on the Rowe campus to replace aging and temporary classrooms, restrooms and administrative building, and before selling bonds appoint a Citizen’s Oversight Committee to perform financial audits and protect taxpayer interests?”

Fiscal Impact:

This bond would require residents to pay an additional \$30 per \$100,000 of assessed property for the next 25 years. The average assessed value of a home in the District is \$2 million; therefore a homeowner can expect to pay an additional \$600 a year in property taxes. The interest rate on any bond, which is established at the time of the bond issuance, cannot exceed 12% per annum.

Facilities Needs Assessment/Deferred Maintenance:

In July 2007, the District conducted a facilities needs assessment at the R. Roger Rowe campus to determine the physical condition of the facility by identifying the capital repair deficiencies. The survey identified approximately \$46 million in needs, with \$30 million in new facility requirements.

The consultant that prepared the assessment also recommended that the District provide a more appropriate level of funding for the ongoing maintenance of facilities. According to the report, industry standard is approximately two to four percent of the sites' Current Replacement Value (CRV) less property, which equates to \$120,000 annually. The District currently allocates one-half percent or \$65,000 annually for deferred maintenance.

Program Execution:

The bond proposal does not include 1) detailed cost estimates for all of the construction projects on the campus and 2) a program timeline for completion of all of the projects.

The budget allocates five percent and ten percent of construction costs for construction management and construction contingency, respectively. In addition, \$1 million is allocated for overall contingency.

The District application identifies one member of the staff as responsible for overseeing the project under the direct supervision of the District Superintendent. It is unclear if a program or construction manager will be hired.