

*Proposition D: Cajon Valley Union School District Bond Measure*

**Board Recommendation:**

**SUPPORT** on condition that the District implement SDCTA's oversight committee best practices and recommend that the District utilize unused property and facilities (e.g. lease agreements to Charter schools) to maximize revenue

**Rationale:**

The Cajon Valley Union School District bond proposal qualifies for SDCTA endorsement, meeting the vast majority of the Board-adopted criteria for bond support. However, we would like to see the District adopt the Association's Oversight Committee Best Practices to ensure a successful oversight committee and bond program.

**Background:**

The Cajon Valley Union School District last received bond funding in 2000, when voters approved Proposition X, a \$75 million school bond measure.

The District received \$34.8 million in state matching funds, as well as a \$1.5 million Joint-Use Partner contribution from the City of El Cajon Redevelopment Agency. In total, the District has been able to implement a \$111.3 million Capital Improvements Program.

**Proposal:**

The Cajon Valley Union School District has proposed a bond measure for the February 2008 election that reads as follows:

“To improve the quality of education, upgrade and construct classrooms and joint-use gymnasiums, increase access to computers and technology, replace 50-year old schools, make safety and security improvements, improve energy efficiency, and make the District eligible for State-matching grants, shall the Cajon Valley Union School District issue \$156,500,000 on bonds at the lowest interest rates possible so long as no money is used for administrative salaries and spending is annually reviewed by an oversight committee?”

**Fiscal Impact:**

This bond would require residents to pay an additional \$28.21 per \$100,000 of assessed property for the next 40 years. This amount is in addition to the additional tax that was assessed on homes from passage of Proposition X. The average assessed value of a home

in the District is \$256,293; therefore, a homeowner can expect to pay an additional \$72.30 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.

The District has experienced an average assessed value increase of 9.23 percent over the last five years. Table 1 outlines the projected increase in assessed value during the life of the bond.

**Table 1**

<b>Year</b>	<b>Assessed Value Growth</b>
2008	8.00%
2009	8.00%
2010	8.00%
2011	8.00%
2012	8.00%
2013	6.50%
2014	6.50%
2015	6.50%
Thereafter	4.00%

**Facilities Needs Assessment/Deferred Maintenance:**

Prior to the 2000 election, the District’s deferred maintenance backlog was approximately \$30 million. According to the District, the deferred maintenance backlog has been eliminated since the passage and completion of Proposition X. Overall, the District allocates a total of 4% of the operating budget for ongoing maintenance and deferred maintenance.

The District completed a facilities needs assessment in 2007 and identified over \$200 million in needs. The assessment divides the facilities into three levels of prioritization. The current measure will address all needs that fall within Priority 1 projects, totaling approximately \$158 million. The remaining \$47.5 million in projects are considered “non-critical”. It is possible that the District may return to voters in the future for funding of the remaining projects.

**Program Execution:**

The District is currently in the process of preparing a timeline for completion of all projects identified in the current proposal.