

CALIFORNIA DEPARTMENT OF EDUCATION

GENERAL WAIVER REQUEST

GW-1 (Rev. 3/16/07)

<http://www.cde.ca.gov/re/lr/wr/>

Page 1 of 2

First Time Waiver: X

Renewal Waiver:

Send Original plus one copy to:

Waiver Office, California Department of Education
1430 N Street, Suite 5602
Sacramento, CA 95814

Faxed originals will not be accepted!

MAY 1 2009

CDE WAIVER OFFICE

CD CODE

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Local educational agency: EL MONTE CITY SCHOOL DISTRICT		Contact name and recipient of approval/denial notice: Kristinn Olafsson		Contact person's e-mail address: kolafsson@emcsd.org
Address: 3540 N. Lexington Avenue	(City) El Monte	(State) CA	(Zip) 91731	Phone (and extension, if necessary): 626 453-3790 x 3790 Fax Number: 626 575 - 6160
Period of request: (month/day/year) From: June 2009 ^{July 2009} To: June 2015	Local board approval date: (Required) April 28, 2009	Date of public hearing: (Required) April 28, 2009		

EOC 5-15-09

LEGAL CRITERIA

1. Under the general waiver authority of *Education Code* 33050-33053, the particular *Education Code* or *California Code of Regulations* section(s) to be waived (number): 15268 ^{+ 15102} Circle One: EC or CCR

EOC 5-15-09

Topic of the waiver: To allow the District to exceed its bonding limit of 1.25% of the taxable assessed value of property.

2. If this is a renewal of a previously approved waiver, please list Waiver Number: _____ and date of SBE Approval _____

3. Collective bargaining unit information. Does the district have any employee bargaining units? No Yes If yes, please complete required information below:

Bargaining unit(s) consulted on date(s): 4/20/09

Name of bargaining unit and representative(s) consulted: EMETA/CTA Margie Kunka CSEA/Margie Espinoza

The position(s) of the bargaining unit(s): Neutral Support Oppose (Please specify why)

Comments (if appropriate):

4. Public hearing requirement: A public hearing is not simply a board meeting, but a properly noticed public hearing held during a board meeting at which time the public may testify on the waiver proposal. Distribution of local board agenda does not constitute notice of a public hearing. Acceptable ways to advertise include: (1) print a notice that includes the time, date, location, and subject of the hearing in a newspaper of general circulation; or (2) in small school districts, post a formal notice at each school and three public places in the district.

How was the required public hearing advertised?

Notice in a newspaper Notice posted at each school Other: (Please specify)

5. Advisory committee/School site councils. Please identify the council(s) or committee that reviewed this waiver:

Date the committee/council reviewed the waiver request: *4/23/09*

Advisory Committee

Were there any objection(s)? No Yes *EOC* If there were objections please specify)

6. *Education Code or California Code of Regulations* section to be waived. If the request is to waive a portion of a section, type the text of the pertinent sentence of the law, or those exact phrases requested to be waived (or use a strike out key if only portions of sections are to be waived).

The El Monte City School District, in Los Angeles County, is requesting a Waiver of Education Code Section 15260 (for bonds issued since 2000) which prohibits elementary school districts from issuing bonds in excess of 1.25 percent of the assessed valuation of taxable property of the District.

7. Desired outcome/rationale. State what you hope to accomplish with the waiver. Describe briefly the circumstances that brought about the request and why the waiver is necessary to achieve improved student performance and/or streamline or facilitate local agency operations. If more space is needed, please attach additional pages.

(SEE ATTACHMENT)

8. For a renewal waiver only, district also must certify:

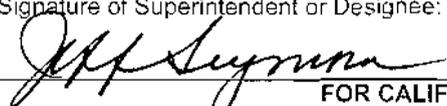
- | | | |
|--|---|---|
| True
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> | False
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> | The facts that precipitated the original waiver request have not changed.
The remedy for the problem has not changed.
Members of the local governing board and district staff are not aware of the existence of any controversy over the implementation of this waiver or the request to extend it. |
|--|---|---|

Renewals of General Waivers must be submitted two months before the active waiver expires. The local governing board must approve the renewal request. Retroactive waivers must go through the First Time Waiver Process.

Is this waiver associated with an apportionment related audit penalty? (per EC 41344) No Yes
 (If yes, please attach explanation or copy of audit finding)

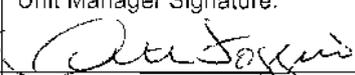
Has there been a Categorical Program Monitoring (CPM) finding on this issue? No Yes
 (If yes, please attach explanation or copy of CCR finding)

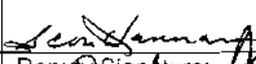
District or County Certification – I hereby certify that the information provided on this application is correct and complete.

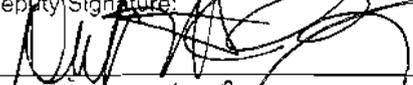
Signature of Superintendent or Designee: 	Title: Jeff Seymour Superintendent	Date: 4/22/09
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FOR CALIFORNIA DEPARTMENT OF EDUCATION USE ONLY

Staff Name (type or print): Stef Cordano	Staff Signature: 	Date: 5-15-09
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Unit Manager (type or print): Peter Faggiato	Unit Manager Signature: 	Date: 5-26-09
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Division Director (type or print): SCOTT HANNAN	Division Director Signature: 	Date: 5/27/09
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Deputy (type or print): Deb VH Sigman	Deputy Signature: 	Date: 5/27/09
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Deb Sigman for Susan Lange

ATTACHMENT

CALIFORNIA DEPARTMENT OF EDUCATION GENERAL WAIVER REQUEST

Gw-1 (Rev. 3/16/07)

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- 7. Desired outcome/rationale. State what you hope to accomplish with the waiver. Describe briefly the circumstances that brought about the request and why the waiver is necessary to achieve improve student performance and/or streamline or facilitate local agency operations. If more space is needed, please attach additional pages.**

In November 2008, the district's voters approved a general obligation bond measure for \$75 million. To date the district has issued no bonds from the authorization. The district would like to issue \$28 million, but is limited to zero by the statutory cap. Approval of the waiver would allow the district to issue the \$28 million. This would increase the district's bonded indebtedness ratio from 1.25 percent to 1.719 percent for 2009-2010.

If a waiver is obtained, the District's indebtedness will reach 1.719% for 2009-2010, based on a projected Assessed Valuation (AV) decline of 2%. The AV growth assumptions are listed below.

- 2009-10: -2.0%
- 2010-11: 0%
- 2011-12: 1.0%
- 2012-13: 2.0%
- 2013-14: 2.5%
- 2014-15: 3.0%

Based on last year's AV growth rate of 6.15% the District's projected indebtedness in 2014-15 will be below the statutory limit of 1.25% as shown on attached table. In addition, doing one issuance is more economical than several smaller issuances.

We are now attempting to address the urgent facility requirements at Wright Elementary School and LeGore Elementary School.

Frank Wright School is a K-8 grade school with a population of just under 1,000 students that is achieving outstanding academic growth with its students. It has an API score of 789. It has met all subgroup requirements for NCLB compliance and met its AYP targets. It maintains programs in technology, music and art and has achieved recognition in track and physical education. The school has been highlighted in the Center for Performance Assessment's publications.

The project consists of:

- New 2 Story 18 classroom building, Including Library, Media Center. Restrooms and Administrative Space; Extend Existing Surface Parking Lot
- New Energy Efficient Heating, Ventilation and Air Conditioning Systems
- Improve Teaching Panels in Classrooms. Upgrade Educational Technology
- Replace Deteriorating Roofs
- Replace Existing Site Asphalt for Student Safety
- Upgrade Educational Technology by Installing Smart Boards
- Install New Site Irrigation To Conserve Water
- Install Cement Safety/Security Barriers for Student Safety

Anne LeGore School has a population of over 500 students and is an outstanding Pre-K-6 grade school in the El Monte City School District. It has been awarded the California Distinguished Schools designation in past years, and has been a Title One Achieving school also. Its current API scores are 791 and it has met all subgroup requirements for NCLB criteria in its most current year of test results.

The renovation project will consist of:

- New Energy Efficient Heating, Ventilation and Air Conditioning Systems
- Replace Deteriorating Roofs
- Improve Teaching Panels in Classrooms
- Replace Existing Playground Asphalt for Student Safety
- Replace Existing site Concrete Walkways to Improve Student Safety
- Install Cement Safety/Security Barriers for Student Safety
- Build New Classroom Building with Library, Media Center and Restrooms
- New Energy Efficient Windows to Reduce Operating Costs
- New Irrigation/Landscaping To Conserve Water
- Upgrade Educational Technology
- Upgrade and Enlarge Kitchen to More Efficiently Serve Students and Create More Classroom Instruction Time

In addition, the funds will provide planning for the new project at Durfee Elementary School along with completion of all work at Columbia Elementary School.



777 South Figueroa Street
Suite 950
Los Angeles, CA 90017
Tel: 213.362.4138
Fax: 213.362.4110

April 22, 2009

Mr. Kris Olafsson
Assistant Superintendent, Business Services
El Monte City School District
3540 N. Lexington Avenue
El Monte, CA 91731

Dear Kris:

As your investment banker, we have reviewed your existing general obligation bond indebtedness picture to ascertain the viability of issuing an additional \$28 million in authorized but unissued bonds. At present, as an elementary school district, limited to 1.25% of assessed value, you are only able to issue less than \$0 million in additional bonds. The current need is for the use of \$28 million. If a waiver is obtained, the District's indebtedness will reach 1.719% for 2009-10, based on a projected Assessed Valuation (AV) decline of 2%. The AV growth assumptions are listed below.

2009-10:	-2.0%
2010-11:	0%
2011-12:	1.0%
2012-13:	2.0%
2013-14:	2.5%
2014-15:	3.0%

Based on last year's AV growth rate of 6.15% the District's projected indebtedness in 2014-15 will be below the statutory limit of 1.25% as shown on attached table. In addition, doing one issuance is more economical than several smaller issuances.

In the light of the difficulty in securing other sources of much needed funding to respond to the capital needs being experienced by the District, we believe that the proposed waiver authorization is highly feasible for the El Monte City School District.

We appreciate the opportunities we have had to work with the District on General Obligation Bonds from the campaign to the present and are honored to be a part of this current important venture.

Sincerely,

A handwritten signature in black ink that reads 'Rod Carter'.

Rod Carter
Managing Director

El Monte City School District
Bonding Capacity Analysis

Year	Par Outstanding	2008 Election 2009 Series A (\$28MM Par)	Total Outstanding Par	Total Assessed Value (AV)	AV Growth	Bonding Capacity at 1.25%	Bonding Capacity Less Outstanding Par	Outstanding Par as a % of AV
8/1/2008	70,938,417		70,938,417	5,720,327,113	6.150% **	71,504,089	565,672	1.240%
8/1/2009	68,353,417		96,353,151 *	5,605,920,571	-2.000%	70,074,007	(26,279,144)	1.719%
8/1/2010	65,598,972	1,505,000	93,698,706	5,605,920,571	0.000%	70,074,007	(23,624,699)	1.671%
8/1/2011	63,201,964	1,635,000	69,696,698	5,717,478,390	1.000%	71,468,480	(18,228,218)	1.569%
8/1/2012	60,962,430	1,434,072	85,842,163	5,865,561,080	2.000%	73,319,514	(12,522,650)	1.463%
8/1/2013	58,396,461	1,412,526	81,822,143	6,018,007,013	2.500%	75,225,088	(6,597,056)	1.360%
8/1/2014	56,188,254	1,386,375	78,201,391	6,258,125,493	3.000%	78,226,569	25,178	1.250%
8/1/2015	53,834,149	1,364,086	74,460,911	6,477,159,885	3.500%	80,964,499	6,503,588	1.150%
8/1/2016	50,207,263	1,337,641	69,469,937	6,736,246,280	4.000%	84,203,079	14,733,142	1.031%
8/1/2017	45,638,146	1,264,330	63,563,179	7,039,377,363	4.500%	87,992,217	24,429,038	0.903%
8/1/2018	40,792,033	1,236,095	57,452,736	7,356,149,344	4.500%	91,951,867	34,499,131	0.781%
8/1/2019	35,335,863	1,211,131	50,760,472	7,687,176,065	4.500%	96,089,701	45,329,229	0.660%
8/1/2020	33,397,545	1,182,936	47,811,022	8,033,098,988	4.500%	100,413,737	52,802,715	0.593%
8/1/2021	31,024,718	1,157,824	44,055,258	8,394,588,442	4.500%	104,932,356	60,877,097	0.525%
8/1/2022	28,507,910	1,132,854	40,380,628	8,772,344,922	4.500%	109,654,312	69,273,684	0.460%
8/1/2023	25,848,335	1,107,501	38,588,398	9,167,100,444	4.500%	114,588,756	78,000,357	0.399%
8/1/2024	23,044,250	1,082,388	32,676,813	9,579,619,963	4.500%	119,745,250	87,068,437	0.341%
8/1/2025	20,960,061	1,059,804	29,510,235	10,010,702,862	4.500%	125,133,786	95,623,551	0.295%
8/1/2026	18,768,388	957,340	26,258,658	10,461,184,491	4.500%	130,764,806	104,506,148	0.251%
8/1/2027	16,427,391	927,008	22,965,422	10,931,937,793	4.500%	136,649,222	113,683,800	0.210%
8/1/2028	13,962,263	901,900	19,573,267	11,423,874,993	4.500%	142,798,437	123,225,151	0.171%
8/1/2029	11,340,428	878,935	16,049,551	11,937,949,368	4.500%	149,224,367	133,174,817	0.134%
8/1/2030	9,727,447	811,664	13,557,635	12,475,157,090	4.500%	155,939,464	142,381,828	0.109%
8/1/2031	7,765,196	788,258	10,783,720	13,036,539,159	4.500%	162,956,739	152,173,019	0.083%
8/1/2032	7,029,556	765,146	9,259,822	13,623,183,421	4.500%	170,289,793	161,029,970	0.069%
8/1/2033	7,029,556	743,814	8,494,675	14,236,226,675	4.500%	177,952,833	169,458,159	0.060%
8/1/2034	7,029,556	721,305	7,750,861	14,876,856,875	4.500%	185,960,711	178,209,850	0.052%

* Outstanding par plus \$28 million issuance in 2009

** Actual AV growth

**Exceeds bonding capacity limit of 1.25% of AV

April 20, 2009

Mr. Jeff Seymour
Superintendent
El Monte City School District
3540 N. Lexington Avenue
El Monte, CA 91731

Re: Support El Monte City School District To Waive EC Section 15268, To Allow The District To Exceed It's Bonding Limit

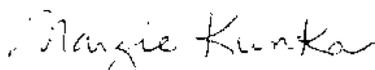
Dear Mr. Seymour,

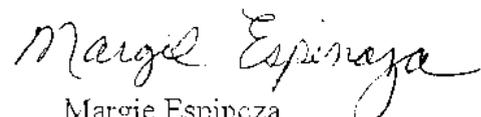
The Executive Board Members of EMETA/CTA & CSEA have reviewed your request for support to waive the referred California Education Code above. We are in agreement with your finding that it would be in the best interest of the District and the community to allow the District to exceed its bonding limit from 1.25% of the taxable assessed value of property to 1.719%.

Rebuilding Wright and LeGore Elementary Schools is essential for the surrounding education community and will benefit student achievements and physical environment. We also understand the District's position in regards to maximizing construction dollars and utilizing the current environment of gaining the best value as construction is at a all time low and building materials along with labor is readily available. These facility improvements of building new penmanent classrooms, library and other instructional support space will fulfill our facilities issues.

In the light of the difficulty in securing other sources of much needed funding to respond to the capital needs being experienced by the District, the El Monte Elementary Teacher's Association and CSEA supports the proposed waiver authorization.

Sincerely,


Margie Kunka
EMETA President


Margie Espinoza
President
CSEA Chapter 10



RBC Capital Markets[®]

777 South Figueroa Street
Suite 850
Los Angeles, CA 90017
Tel: 213.362.4138
Fax: 213.362.4110

June 11, 2008

Mr. Kris Olafsson
Assistant Superintendent, Business Services
El Monte City School District
3540 N. Lexington Avenue
El Monte, CA 91731

Dear Kris:

Per your request, we have prepared a detailed tax rate analysis for the issuance of the \$28 million El Monte City School District General Obligation Bonds 2008 Election Series A (the "Bonds"). Based on current market conditions at the time of this letter, the debt service on the Bonds will result in a tax rate of less than \$30.00 per \$100,000 Assessed Valuation starting in tax year 2009. Attached please find the annual summary of tax rates for the Bonds.

Listed below is a summary of the District's voter-approved general obligation bonds from the 1999, 2004 and 2008 Elections, and the current authorized but unissued bonds from these elections.

Election	Bonds Authorized	Bonds Sold	Balance of Unsold Bonds
1999	40,000,000	40,000,000	0
2004	50,000,000	38,198,136	11,801,864
2008	75,000,000	0	75,000,000
Total	\$165,000,000	578,198,136	\$86,801,864

Please contact me if you have any questions or require additional information.

Sincerely,

Rod Carter
Managing Director
Office: (213) 362-4133
Fax: (213) 362-4110
Email: roderick.carter@rbcc.com

\$28,000,000
El Monte City School District
Election of 2008 General Obligation Bonds, Series A
Estimated Tax Rate per \$100.000

Tax Year Beginning	Series A Debt Service	Total Debt Service	Projected Assessed Valuation	Projected Tax Rate per \$100.000
07/01/08			5,720,327,113	
07/01/09	1,545,000	1,545,000	5,605,920,571	29.95
07/01/10	1,630,000	1,630,000	5,605,920,571	29.98
07/01/11	1,625,000	1,625,000	5,717,478,390	29.57
07/01/12	1,665,000	1,665,000	5,865,561,080	29.73
07/01/13	1,700,000	1,700,000	6,018,007,013	29.60
07/01/14	1,740,000	1,740,000	6,258,125,493	29.41
07/01/15	1,780,000	1,780,000	6,477,159,885	29.06
07/01/16	1,820,000	1,820,000	6,736,246,280	28.56
07/01/17	1,860,000	1,860,000	7,039,377,363	27.93
07/01/18	1,900,000	1,900,000	7,356,149,344	27.30
07/01/19	1,945,000	1,945,000	7,687,176,065	26.74
07/01/20	1,985,000	1,985,000	8,033,098,988	26.11
07/01/21	2,030,000	2,030,000	8,394,588,442	25.56
07/01/22	2,080,000	2,080,000	8,772,344,922	25.06
07/01/23	2,125,000	2,125,000	9,167,100,444	24.50
07/01/24	2,170,000	2,170,000	9,579,619,963	23.94
07/01/25	2,220,000	2,220,000	10,010,702,862	23.44
07/01/26	2,270,000	2,270,000	10,461,184,491	22.93
07/01/27	2,320,000	2,320,000	10,931,937,793	22.43
07/01/28	2,375,000	2,375,000	11,423,874,993	21.98
07/01/29	2,430,000	2,430,000	11,937,949,368	21.52
07/01/30	2,480,000	2,480,000	12,475,157,090	21.01
07/01/31	2,540,000	2,540,000	13,036,539,159	20.60
07/01/32	2,595,000	2,595,000	13,623,183,421	20.13
07/01/33	2,655,000	2,655,000	14,236,226,675	19.71
07/01/34	-	-	14,876,856,875	0.00