

California Department of Education

Executive Office

SBE-005 (REV. 1/2018)

Bond Waiver

# California State Board of Education November 2018 Agenda Item #W-06

## Subject

Request by five local educational agenciesto waive California *Education Code* sections 15102 and 15268 (for elementary and high school districts), and 15106 and 15270(a) (for unified school districts), to allow the districts to exceed their bonded indebtedness limits. Total bonded indebtedness may not exceed 1.25 percent of the taxable assessed valuation of property for elementary and highschool districts, and 2.50 percent of the taxable assessed valuation of property for unified school districts.

## Waiver Numbers

* Central Unified School District 10-9-2018
* Earlimart Elementary School District 10-8-2018
* Hawthorne School District 7-8-2018
* Lynwood Unified School District 4-9-2018
* Roseville Joint Union High School District 1-8-2018

## Type of Action

Action, Consent

## Summary of the Issues

The Central Unified School District’s bonded indebtedness is statutorily limited not to exceed 2.50 percent, which prohibits them from proceeding with their proposed issuance of $66 million from Measures B and C, which were approved by the voters in November 2008 and November 2016. The district is requesting that the State Board of Education (SBE) authorize the district to exceed its statutory bonding capacity limit to a rate up to, but not to exceed, 3.13 percent.

The Earlimart Elementary School District’s bonded indebtedness is statutorily limited not to exceed 1.25 percent, which prohibits them from proceeding with their proposed issuance of $1.95 million from Measure M, which was approved by the voters in November 2016. The district is requesting that the SBE authorize the district to exceed its statutory bonding capacity limit to a rate up to, but not to exceed, 1.34 percent.

The Hawthorne School District’s bonded indebtedness is statutorily limited not to exceed 1.25 percent, which prohibits them from proceeding with their proposed issuance of $35 million from Measure HSD, which was approved by voters in June 2018. The district is requesting that the SBE authorize the district to exceed its statutory bonding capacity limit to a rate up to, but not to exceed, 1.55 percent.

The Lynwood Unified School District’s bonded indebtedness is statutorily limited not to exceed 2.50 percent, which prohibits them from proceeding with their proposed issuance of $96.12 million from Measures K and N, which were approved by the voters in November 2012 and November 2016. The district is requesting that the SBE authorize the district to exceed its statutory bonding capacity limit to a rate up to, but not to exceed, 4.50 percent.

The Roseville Joint Union High School District’s bonded indebtedness is statutorily limited not to exceed 1.25 percent, which prohibits them from proceeding with their proposed issuance of $40 million from the 2007 authorization to issue bonds of the School Facilities Improvement District (SFID), No. 1, which was approved by voters in April of 2007. The district is requesting that the SBE authorize the district to exceed its statutory bonding capacity limit to a rate up to, but not to exceed, 2.86 percent.

## Authority for Waiver

California *EC* Section 33050

## Recommendation

* Approval: No
* Approval with conditions: Yes
* Denial: No

The California Department of Education (CDE) recommends that the bonded indebtedness limit for each of the districts be waived with the following conditions: (1) the period of request does not exceed the recommended period on Attachment 1, (2) the total bonded indebtedness does not exceed the recommended new maximum shown on Attachment 1, (3) the district does not exceed the statutory tax rate, (4) the waiver is limited to the sale of bonds approved by the voters on the measures noted on Attachment 1, and (5) the district complies with the statutory requirements of Assembly Bill (AB) 182 related to school bonds which became effective January 1, 2014.

## Summary of Key Issues

The California *EC* provides limits related to a district’s total bonded indebtedness. *EC* sections 15102 and 15268 limit elementary and high school districts’ and school facilities improvement districts’ total general obligation (G.O.) bond indebtedness to 1.25 percent. *EC* sections 15106 and 15270(a) limit a unified school district’s total G.O. bond indebtedness to 2.50 percent.

To raise funds to build or renovate school facilities, with voter authorization, school districts may issue G.O. bonds. Under Proposition 46, school districts are allowed to increase the property tax rate above 1.00 percent for the period necessary to pay off new G.O. bonds if the following conditions are met:

* Two-thirds of those voting in a local election approve the issuance of the bonds, and;
* The money raised through the sale of the bonds is exclusively used to purchase or improve land and buildings.

In November 2000, districts were given another option for authorizing and issuing bonds when California voters passed Proposition 39, which allows school bonds to be approved with a 55 percent majority vote if the district abides by several administrative requirements, such as establishing an independent Citizens’ Oversight Committee to oversee the use of the funds. Once G.O. bonds are authorized, school districts issue the bonds in increments as needed to fund their facility projects. When the voters authorize a local G.O. bond, they are simultaneously authorizing a property tax increase to pay the principal and interest on the bond. For Proposition 39 bonds, *EC* Section 15268 limits the tax rate levy authorized in each election to $30 per $100,000 of taxable property for elementary and high school districts, and $60 per $100,000 of taxable property for unified school districts.

Without a waiver, school districts that are close to their bonding capacity must decide either to issue fewer bonds, delay the issuance of bonds until their assessed valuation increases, or obtain other more expensive non-bond financing to complete their projects, the costs of which could be paid from district general funds. Therefore, the CDE has historically recommended that the SBE approve related waiver requests with the condition that the statutory tax levies are not exceeded at the time the bonds are issued.

On October 2, 2013, Governor Brown signed AB 182 (Chapter 477, Statutes of 2013) which established parameters for the issuance of local education bonds that allow for the compounding of interest, including capital appreciation bonds (CABs). AB 182 requires a district governing board to do the following:

* Before the bond sale, adopt a resolution at a public meeting that includes specific criteria, including being publicly noticed on at least two consecutive meeting agendas.
* Be presented with an agenda item at a public board meeting that provides a financial analysis of the overall costs of the bonds, a comparison to current interest bonds, and reasons why the compounding interest bonds are being recommended.
* After the bond sale, present actual cost information at the next scheduled public meeting and submit the cost information of the sale to the California Debt and Investment Advisory Commission.

**Central Unified School District**

The Central Unified School District wishes to proceed with their proposed issuance for the remaining, cumulative $66 million from Measures B and C, which were approved by voters in November 2008 and November 2016, respectively. The issuance will go toward building a new high school and elementary school, replacing outdated heating, ventilation, and air conditioning systems, upgrading classroom computers and technology, renovating restrooms, and improving student safety and school security. The proposed issuance of the remaining $66 million will increase the district’s outstanding bonded indebtedness limit to a rate up to, but not to exceed, 3.13 percent.

**Earlimart Elementary School District**

The Earlimart Elementary School District wishes to proceed with their proposed issuance of $1.95 million from Measure M, which was approved by voters in November 2016. The issuance will be used for the building or upgrading of school and classroom facilities and student support facilities, upgrading technology infrastructure, and improving lighting, security, and fire alarm systems. The proposed issuance of $1.95 million will increase the district’s outstanding bonded indebtedness limit to a rate up to, but not to exceed, 1.34 percent.

**Hawthorne School District**

The Hawthorne School District wishes to proceed with their proposed issuance of $35 million from Measure HSD, which was approved by voters in June 2018. The issuance will go toward repairing aging classrooms, ensuring student health, safety and achievement, keeping pace with technology, and upgrading aging plumbing, electrical, lighting, heating/ventilation, and safety/security systems. The proposed issuance of the $35 million will increase the district’s outstanding bonded indebtedness limit to a rate up to, but not to exceed, 1.55 percent.

**Lynwood Unified School District**

The Lynwood Unified School District wishes to proceed with their proposed issuance for the remaining, cumulative $96.12 million from Measures K and N, which were approved by voters in November 2012 and November 2016, respectively. The issuance will go toward improving and maintaining neighborhood schools by repairing and updating classrooms, science labs and technology, improving school safety with lighting, fences, fire alarms, and earthquake retrofits, and replacing portables with permanent classrooms. The proposed issuance of the remaining $96.12 million will increase the district’s outstanding bonded indebtedness limit to a rate up to, but not to exceed, 4.50 percent.

**Roseville Joint Union High School District**

The Roseville Joint Union High School District wishes to proceed with their proposed issuance for $40 million from the 2007 authorization to issue bonds of the SFID, No. 1, which was approved by voters in April of 2007. The issuance will only be used for facilities located within the SFID, No. 1, area to provide essential learning facilities to the area students. The proposed issuance of $40 million will increase the district’s outstanding bonded indebtedness limit to a rate up to, but not to exceed, 2.86 percent.

A Citizen’s Oversight Committee was convened on September 7, 2018, in order to ensure public involvement in the community council review.

## Demographic Information

The Central Unified School District has a student population of 15,772 and is located in a suburban area of Fresno County.

The Earlimart Elementary School District has a student population of 1,838 and is located in a rural area of Tulare County.

The Hawthorne School District has a student population of 8,297 and is located in an urban area of Los Angeles County.

The Lynwood Unified School District has a student population of 14,211 and is located in a suburban area of Los Angeles County.

The Roseville Joint Union High School District has a student population of 10,237 and is located in a suburban area of Placer County.

**Because this is a general waiver, if the SBE decides to deny the waiver, it must cite one of the seven reasons in *EC* Section 33051(a), available on the California Legislation Information Web page at** <https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=EDC&sectionNum=33051.>

## Summary of Previous State Board of Education Discussion and Action

The SBE has approved all bond limit waiver requests limited to the sale of already authorized bonds and at the tax rate levy stated on the bond measure.

## Fiscal Analysis (as appropriate)

Approval of the waivers would allow the districts to accelerate their issuance of voter approved bonds.

## Attachments

* **Attachment 1:** Summary Table (5 pages)
* **Attachment 2:** Central Unified School District General Waiver Request  
  10-9-2018 (2 pages). (Original waiver request is signed and on file in the waiver Office.)
* **Attachment 3:** Earlimart Elementary School District General Waiver Request  
  10-8-2018 (3 pages). (Original waiver request is signed and on file in the waiver Office.)
* **Attachment 4:** Hawthorne School District General Waiver Request 7-8-2018  
  (2 pages). (Original waiver request is signed and on file in the Waiver Office.)
* **Attachment 5:** Lynwood Unified School District General Waiver Request  
  4-9-2018 (3 pages). (Original waiver request is signed and on file in the waiver Office.)
* **Attachment 6:** Roseville Joint Union High School District General Waiver Request 1-8-2018 (3 pages). (Original waiver request is signed and on file in the Waiver Office.)

# Attachment 1: Summary Table

California *Education Code* (*EC*) sections 15102, 15106, 15268, and 15270(a)

| **Waiver Number** | **District** | **Period of Request** | **District’s Request** | **CDE Recommended** | **Bargaining Unit Representatives** | **Local Board, Public Hearing Approval and Advisory Committee Consulted** |
| --- | --- | --- | --- | --- | --- | --- |
| 10-9-2018 | Central Unified School District | **Requested:** November 10, 2018  to November 10, 2028  **Recommended:** November 10, 2018  to November 10, 2028 | Debt Limit 3.13%  Tax Rate $60 per $100,000 | Debt Limit 3.13%  Limited to Sale of Bonds applicable to the 2008 and 2016 Authorizations, Approved by Voters  Tax Rate $60 per $100,000 (authorization approved under Proposition 39) | California School Employees’ Association Philip Chacon, President 8/23/2018 **Support**  Central Teacher’s Association Judy Martinez, President 8/23/2018 **Support** | Local Board Approval Date: 9/11/2018  Public Hearing Date: 8/29/2018  Public Hearing Advertised: Notice published in the Fresno Bee and posted at the district office.  Bond Oversight Committee 8/23/2018 **No Objections** |
| 10-8-2018 | Earlimart Elementary School District | **Requested:** November 8, 2018  to December 31, 2022  **Recommended:** November 9, 2018  to December 31, 2022 | Debt Limit 1.34%  Tax Rate $38 per $100,000 | Debt Limit 1.34%  Limited to Sale of Bonds applicable to the 2016 Authorization, Approved by Voters  Tax Rate $38.00 per $100,000 (not subject to a maximum tax rate limitation, authorization approved under Proposition 46) | California School Employees’ Association Juan Orozco, President 8/7/2018 **Neutral**  Earlimart Teacher’s Association Lori Newsome, President 8/7/2018 **Support** | Local Board Approval Date: 8/7/2018  Public Hearing Date: 8/7/2018  Public Hearing Advertised: Public postings in prominent community locations  Measure “M” Citizen’s Bond Oversight Committee 8/7/2018 **No Objections** |
| 7-8-2018 | Hawthorne School District | **Requested:** August 9, 2018 to December 1, 2021  **Recommended:** November 9, 2018 to December 1, 2021 | Debt Limit 1.55%  Tax Rate $30 per $100,000 | Debt Limit 1.55%  Limited to Sale of Bonds applicable to the 2018 Authorization, Approved by Voters  Tax Rate $30 per $100,000 (authorization approved under Proposition 39) | Hawthorne Educators and Teachers Association George Amaya, President 6/27/2018 **Support**  Hawthorne Federation of Classified Employees #6041 Jose Medina, President 6/27/2018 **Support** | Local Board Approval Date 7/18/2018  Public Hearing Date: 7/18/2018  Public Hearing Advertised: Notice in newspaper, posted in each school, district office, and on the website  Special District Advisory Council and District English Learner Advisory Committee 8/1/2018 **No Objections** |
| 4-9-2018 | Lynwood Unified School District | **Requested:** November 15, 2018 to November 15, 2028  **Recommended:** November 15, 2018 to November 15, 2028 | Debt Limit 4.50%  Tax Rate $60 per $100,000 | Debt Limit 4.50%  Limited to Sale of Bonds applicable to the 2012 and 2016 Authorizations, Approved by Voters  Tax Rate $60 per $100,000 (authorization approved under Proposition 39) | California School Employees’ Association Mitchell Martinez, President 8/20/2018 **Support**  Lynwood Teachers Association  Debbie Diaz, President 8/20/2018 **Neutral**  Service Employees International Union Sam Conner, President 8/20/2018 **Support** | Local Board Approval Date 8/23/2018  Public Hearing Date: 8/23/2018  Public Hearing Advertised: Published in Long Beach Press-Telegram and posted at the district office  Lynwood Unified Bond Committee 8/16/2018 **No Objections** |
| 1-8-2018 | Roseville Joint Union High School District | **Requested:** November 12, 2018 to December 31, 2025  **Recommended:** November 12, 2018 to December 31, 2025 | Debt Limit 2.86%  Tax Rate $38.69 per $100,000 | Debt Limit 2.86%  Limited to Sale of Bonds applicable to the 2007 Authorization, Approved by Voters  Tax Rate $38.69 per $100,000 (not subject to a maximum tax rate limitation, authorization approved under Proposition 46) | California School Employees’ Association Elaine Pike, President 5/29/2018 **Support**  Roseville Secondary Education Association Paul Hayes, President 5/29/2018 **Support** | Local Board Approval Date 7/24/2018  Public Hearing Date: 7/24/2018  Public Hearing Advertised: Notice in newspaper  School Board and Bargaining Units 7/24/2018 **No Objections**  Citizen’s Oversight Committee 9/7/2018 **No Objections** |

Created by the California Department of Education

September 12, 2018

# Attachment 2: **Central Unified School District General** **Waiver Request 10-9-2018**

**California Department of Education**

**WAIVER SUBMISSION – General**

CD Code: 1073965

Waiver Number: 10-9-2018

Active Year: 2018

Date In: 9/13/2018 2:11:44 PM

Local Education Agency: Central Unified School District

District Address: 4605 North Polk Ave.

Fresno, CA 93722

Start: 11/10/2018

End: 11/10/2028

Waiver Renewal: No

Waiver Topic: School Construction Bonds

*Ed Code* Title: Bond Indebtedness Limit - Unified S.D.

*Ed Code* Section: 33050

*Ed Code* Authority: 15106

*Education Code* or *CCR* to Waive: A unified school district or community college district may issue bonds that, in aggregation with bonds issued pursuant to Section 15270, shall not exceed [2.5] percent of the taxable property of the school district or community college district, or the school facilities improvement district, if applicable, as shown by the last equalized assessment of the county or counties in which the district is located.

Outcome Rationale: On November 2, 2008 and November 8, 2016, District voters approved Measure B and C, a $152 million and $87.3 million general obligation bond measure. The District has remaining authorization of $3.7 million and $62.3 million across the two measures. In order to continue renovating, constructing and equipping existing classrooms/school facilities and building a new high school and elementary school, the District wishes to issue $62.7 million in additional Measure B and C bonds. The California Education Code contains provisions that limit the amount of general obligation bonds a unified school district can have outstanding at any given time. For unified school districts, the principal amount of bonds that may be outstanding at any one time is equal to 2.5% of the total assessed value for the school district. As of August 2018, this constraint would limit the amount of bonds that could be issued to approximately $19.5 million. The District requests a waiver of CA Ed Codes 15106 to exceed its bond indebtedness limit to 3.13%.

Student Population: 15772

City Type: Suburban

Public Hearing Date: 8/29/2018

Public Hearing Advertised: Notice was published on 8/29/18 in the Fresno Bee and posted at the District office

Local Board Approval Date: 9/11/2018

Community Council Reviewed By: Bond Oversight Committee (8/23) and full Board reviewed waiver resolution (8/28 & 9/11).

Community Council Reviewed Date: 8/23/2018

Community Council Objection: No

Community Council Objection Explanation:

Audit Penalty Yes or No: No

Categorical Program Monitoring: No

Submitted by: Ms. Nicole Roberts

Position: Analyst

E-mail: [nroberts@dalescott.com](mailto:nroberts@dalescott.com)

Telephone: 415-956-1030

Bargaining Unit Date: 08/23/2018

Name: California School Employees Association

Representative: Philip Chacon

Title: President

Position: Support

Bargaining Unit Date: 08/23/2018

Name: Central Teacher's Association

Representative: Judy Martinez

Title: President

Position: Support

# Attachment 3: **Earlimart Elementary School District General** **Waiver Request 10-8-2018**

**California Department of Education**

**WAIVER SUBMISSION – General**

CD Code: 5471902

Waiver Number: 10-8-2018

Active Year: 2018

Date In: 8/23/2018 11:51:18 AM

Local Education Agency: Earlimart Elementary School District

District Address: 785 East Center Ave.

Earlimart, CA 94111

Start: 11/8/2018

End: 12/31/2022

Waiver Renewal: No

Waiver Topic: School Construction Bonds

*Ed Code* Title: Bond Indebtedness Limit - Non-Unified

*Ed Code* Section: 15102 and 15268

*Ed Code* Authority: 33050

*Education Code* or *CCR* to Waive: [The total amount of bonds issued pursuant to this chapter and Chapter 1.5 (commencing with Section 15264) shall not exceed 1.25 percent of the taxable property of the school district or community college district, or the school facilities improvement district, if applicable, as shown by the last equalized assessment of the county or counties in which the district is located.] For purposes of this section, the taxable property of a district for any fiscal year shall be calculated to include, but not be limited to, the assessed value of all unitary and operating nonunitary property of the district, which shall be derived by dividing the gross assessed value of the unitary and operating nonunitary property within the district for the 1987-88 fiscal year by the gross assessed value of all unitary and operating nonunitary property within the county in which the district is located for the 1987-88 fiscal year, and multiplying that result by the gross assessed value of all unitary and operating nonunitary property of the county on the last equalized assessment roll.

15268. [The total amount of bonds issued, including bonds issued pursuant to Chapter

1 (commencing with Section 15100), shall not exceed 1.25 percent of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located.] The bonds may only be issued if the tax rate levied to meet the requirements of Section 18 of Article XVI of the California Constitution in the case of indebtedness incurred by a school district pursuant to this chapter, at a single election, would not exceed thirty dollars ($30) per year per one hundred thousand dollars ($100,000) of taxable property when assessed valuation is projected by the district to increase in accordance with Article Xlll?A of the California Constitution. For purposes of this section, the taxable property of a district for any fiscal year shall be calculated to include, but not be limited to, the assessed value of all unitary and operating nonunitary property of the district, which shall be derived by dividing the gross assessed value of the unitary and operating nonunitary property within the district for the 1987-88 fiscal year by the gross assessed value of all unitary and operating nonunitary property within the county in which the district is located for the 1987-88 fiscal year, and multiplying that result by the gross assessed value of all unitary and operating nonunitary property of the county on the last equalized assessment roll.

Outcome Rationale: The Earlimart School District (the "District") is seeking a waiver of Education Code Sections 15102 and 15268. Each of these statutes limits the statutory bonding capacity of an elementary school district to 1.25% of its current assessed valuation (AV). If approved, based current estimates the District intends to sell bonds causing its bond debt limit to increase to 1.34% of assessed value. The waiver will allow the District to continue implementing Measure "M", the 2016 (Proposition 46) General Obligation Bond measure approved by over 84% of District voters to carry out various school repairs, including health and safety improvements. The proposed bond issuance of approximately $1.95 million in additional principal debt is to be repaid by an ad-valorem tax rate consistent with estimates provided to voters at the time of the election ($38 per $100K of assessed value).

Rationale:

In 2016 District voters approved Measure "M", which passed with overwhelming community support (84.3%). Measure "M" authorized the District to sell up to $6.7 million in general obligation (GO) bonds to fund school facility improvements. In 2016 the District sold $2.9 million in Series A bonds, which were used to fund the new HVAC system at Earlimart Elementary and other school repairs.

Today, the District proposes to sell approximately $1 .95 in Series B Measure "M" bonds to carry out needed capital projects to improve the quality of student learning environments and support the health and safety of its schools. The District's facilities funding needs are small to moderate. However, despite moderate growth in the District's AV, the District's tax base is limited given the relatively small geographical area and economic factors characteristic of a rural agricultural community.

Deferring school improvements will force District students and community to attend classes in less than desirable conditions. Additionally, deferring improvements is anticipated to come with greater financial costs to the District in the future as school conditions worsen and the cost of repairs increases. Moreover, alternative financing options are not economically feasible and will lead the District to take on transaction expenses or risks that will further burden District's operating budget and funding of academic programs.

Analysis:

The District's bonded indebtedness is currently at 1.03% of its FY 2018-19 AV. The proposed issuance of $1 .95 million in Series B Measure "M" Bonds is estimated to raise the District's bonded indebtedness to 1.34%. The District estimates that it will return within the statutory debt limit of 1.25% (of AV) by FY 2022 based on the scheduled repayment of actual and existing outstanding bond principal debt. For purposes of this analysis, the District conservatively estimates no growth in future AV. However, in the event of future growth in AV, the District may return within the statutory debt limit earlier than expected.

Student Population: 1838

City Type: Rural

Public Hearing Date: 8/7/2018

Public Hearing Advertised: Consistent with the District's noticing requirements for public hearings, the hearing was advertised via public postings in prominent community locations.

Local Board Approval Date: 8/7/2018

Community Council Reviewed By: Measure "M" Citizen's Bond Oversight Committee

Community Council Reviewed Date: 8/7/2018

Community Council Objection: No

Community Council Objection Explanation:

Audit Penalty Yes or No: No

Categorical Program Monitoring: No

Submitted by: Mr. Miguel Rodriguez

Position: Senior Managing Consultant

E-mail: [rodriguezm@pfm.com](mailto:rodriguezm@pfm.com)

Telephone: 415-393-7277

Bargaining Unit Date: 08/07/2018

Name: CA School Employees Association

Representative: Juan Orozco

Title: President

Position: Neutral

Bargaining Unit Date: 08/07/2018

Name: Earlimart Teacher's Association

Representative: Lori Newsome

Title: President

Position: Support

# Attachment 4: **Hawthorne School District General Waiver Request 7-8-2018**

**California Department of Education**

**WAIVER SUBMISSION – General**

CD Code: 1964592

Waiver Number: 7-8-2018

Active Year: 2018

Date In: 8/20/2018 12:15:03 PM

Local Education Agency: Hawthorne School District

Address: 14120 South Hawthorne Blvd.

Hawthorne, CA 90250

Start: 8/9/2018

End: 12/1/2021

Waiver Renewal: No

Waiver Topic: School Construction Bonds

*Ed Code* Title: Bond Indebtedness - Non-Unified

*Ed Code* Section: 15102 Bonds of School Districts and Community College Districts;

15268 Strict Accountability in Local School Construction Bonds of 2000

*Ed Code* Authority: California *Ed Code* 33050

*Education Code* or *CCR* to Waive: Limitation on Outstanding Bond Indebtedness (Sections 15102 and 15268 of *Ed Code*)

15102. The total amount of bonds issued pursuant to this chapter and Chapter 1.5 (commencing with Section 15264) [shall not exceed 1.25 percent of the taxable property of the school district] or community college district, or the school facilities improvement district, if application, as shown by the last equalized assessment of the county or counties in which the district is located.

15268. The total amount of bonds issued, including bonds issued pursuant to Chapter 1 (commencing with Section 15100), [shall not exceed 1.25 percent of the taxable property of the district] as shown by the last equalized assessment of the county or counties in which the district is located.

Outcome Rationale: On June 5, 2018, the voters of Hawthorne School District overwhelmingly passed Measure HSD, with a 74.1% percent of the vote. In order to improve student performance and meet the needs of the community, the District wishes to proceed immediately and issue $35 million of its $59 million voter-approved Measure HSD authorization. Issuing $35 million in bonds now will allow the District to take advantage of low interest rates and begin work on much-needed projects before cost escalation and inflation reduce the purchasing power of its bond dollars. Issuing bonds now will also facilitate the operations of the District. Included among those much needed bond projects are new heating/air conditioning units and roofs for older schools.

The District requests that its Outstanding Bonded Indebtedness limit be increased to 1.55% until December 1, 2021. Attached you will find 1) a Hawthorne School District General Obligation Bonding Capacity Analysis, 2) a Hawthorne School District History of Assessed Valuation (demonstrating the reasonableness of our use of an estimated 4.00% rate of growth in District assessed valuation as a planning tool) and 3) a Hawthorne School District Measure HSD Staying Under the $30 per $100,000 Tax Rate Levy Limit schedule.

Student Population: 8297

City Type: Urban

Public Hearing Date: 7/18/2018

Public Hearing Advertised: Notice in the Newspaper, Posted in Each School, Posted in

District Office and on Website

Local Board Approval Date: 7/18/2018

Community Council Reviewed By: Special District Advisory Council and District English Learner Advisory Committee

Community Council Reviewed Date: 8/1/2018

Community Council Objection: No

Community Council Objection Explanation:

Audit Penalty Yes or No: No

Categorical Program Monitoring: No

Submitted by: Ms. Elaine Reodica

Position: Associate

E-mail: [elaine.v.reodica@pjc.com](mailto:elaine.v.reodica@pjc.com)

Telephone: 310-341-6911

Fax: 310-675-9464

Bargaining Unit Date: 06/27/2018

Name: Hawthorne Educators and Teachers Association

Representative: George Amaya

Title: President

Position: Support

Bargaining Unit Date: 06/27/2018

Name: Hawthorne Federation of Classified Employees #6041

Representative: Jose Medina

Title: President

Position: Support

# Attachment 5: **Lynwood Unified School District General** **Waiver Request 4-9-2018**

**California Department of Education**

**WAIVER SUBMISSION – General**

CD Code: 1964774

Waiver Number: 4-9-2018

Active Year: 2018

Date In: 9/5/2018 3:04:23 PM

Local Education Agency: Lynwood Unified School District

District Address: 11321 Bullis Rd.

Lynwood, CA 90262

Start: 11/15/2018

End: 11/15/2028

Waiver Renewal: No

Waiver Topic: School Construction Bonds

*Ed Code* Title: Bond Indebtedness Limit - Unified after 2000

*Ed Code* Section: 15106 and 15270

*Ed Code* Authority: 33050

*Education Code* or *CCR* to Waive: 15106. A unified school district or community college district may issue bonds that, in aggregation with bonds issued pursuant to Section 15270, shall not exceed [2 .5] percent of the taxable property of the school district or community college district, or the school facilities improvement district, if applicable, as shown by the last equalized assessment of the county or counties in which the district is located.

15270. (a) Notwithstanding Sections 15102 and 15268, any unified school district may issue bonds pursuant to this article that, in aggregation with bonds issued pursuant to Chapter 1 (commencing with Section 15100), may not exceed [2.5] percent of the taxable property of the district as shown by the last equalized assessment of the county or counties in which the district is located.

Outcome Rationale: The District requests that its Outstanding Bonded Indebtedness limit be increased to an amount not to exceed 4.50% until November 15, 2028 in order to allow it to access the general obligation bonds authorized by District voters in two separate elections.

On November 6, 2012, District voters approved Measure K, providing the District with $93,000,000 of general obligation bond authorization; the District has $46,656,299 of unsold bonds from this election. On November 8, 2016, District voters approved Measure N, providing the District with $65,000,000 of general obligation bond authorization; the District has $49,465,000 of unsold bonds from this election.

In aggregate, the District has unsold bond authorization of $96.12 million but can only access $14.97 million of that total without the requested waiver. However, facilities needs of approximately $234.50 million remain, of which approximately $138.19 million are health and safety needs.

The District wishes to procure the waiver in order to fully access the remaining authorization in order to implement the much-needed improvements to its school facilities that will provide a safer and better educational environment for District students. Without the waiver, the District would only be able to issue the aforementioned $14.97 million in bonds at this time, and be reliant on small incremental bond issues thereafter. This would certainly not allow the District to access the bond authorization approved by the voters within a reasonable timeframe, and would expose the District to potentially higher interest rates and costs of issuance, as well significant escalation in constructions costs, thereby severely diminishing the District's purchasing power. Ultimately, this would mean a significant curtailing of the scope of projects the District can pursue, and the delivering much less in facilities for the dollars spent.

Approval of this request would allow the District to make progress in its goal of meeting the needs of its students and delivering to District constituents the facility improvements promised by Measures K and N.

Student Population: 14211

City Type: Suburban

Public Hearing Date: 8/23/2018

Public Hearing Advertised: Published in Long Beach Press-Telegram & posted at District Office

Local Board Approval Date: 8/23/2018

Community Council Reviewed By: Lynwood Unified Bond Committee

Community Council Reviewed Date: 8/16/2018

Community Council Objection: No

Community Council Objection Explanation:

Audit Penalty Yes or No: No

Categorical Program Monitoring: No

Submitted by: Dr. Gudiel Crosthwaite

Position: Superintendent

E-mail: [gcrosthwaite@mylusd.org](mailto:gcrosthwaite@mylusd.org)

Telephone: 310-886-1601

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Bargaining Unit Date: 08/20/2018

Name: California School Employees Association (CSEA)

Representative: Mitchell Martinez

Title: President

Position: Support

Bargaining Unit Date: 08/20/2018

Name: Lynwood Teacher's Association (LTA)

Representative: Debbie Diaz

Title: President

Position: Neutral

Bargaining Unit Date: 08/20/2018

Name: Service Employees International Union (SEIU)

Representative: Sam Conner

Title: President

Position: Support

# Attachment 6: **Roseville Joint Union High School District General** **Waiver Request 1-8-2018**

**California Department of Education**

**WAIVER SUBMISSION – General**

CD Code: 3166928

Waiver Number: 1-8-2018

Active Year: 2018

Date In: 8/6/2018 4:36:58 PM

Local Education Agency: Roseville Joint Union High School District

District Address: 1750 Cirby Way

Roseville, CA 90245-2714

Start: 11/12/2018

End: 12/31/2025

Waiver Renewal: No

Waiver Topic: School Construction Bonds

*Ed Code* Title: Bond Indebtedness Limit - Non-Unified

*Ed Code* Section: 15102

*Ed Code* Authority: 33050-33053

*Education Code* or *CCR* to Waive: 15102: The total amount of bonds issued pursuant to this chapter and Chapter 1.5 (commencing with Section 15264) shall not exceed (1.25) percent of the taxable property of the school district or community college district, or the school facilities improvement district, if applicable, as shown by the last equalized assessment of the county or counties in which the district is located.

Outcome Rationale: See attachment & below for desired outcome/rationale

Desired Outcome

The granting of this waiver will permit the Roseville Joint Union High School District School Facilities Improvement District No. 1 to issue general obligation bonds, as authorized by the District voters on April 24, 2007.

Rationale

A. Background

Roseville Joint Union High School District (the "District") is located in the Sacramento Valley and serves the City of Roseville and certain unincorporated areas of Placer and Sacramento Counties. The District encompasses approximately 72 square miles and currently has five comprehensive high schools for grades 9-12, one continuation school, one adult education school and an independent study program. A sixth comprehensive high school is being constructed and will be open for the 2020-21 school year.

The School Facilities Improvement District No. 1 of the District (the "SFID") is located in the northwest portion of the District, and includes portions of the City of Roseville and an adjacent unincorporated territory of Placer County. The SFID encompasses approximately 11.8 square miles, representing approximately 16.4% of the territory of the District (and approximately 7.8% of the assessed valuation of the District as of fiscal year 2017-18).

On June 4, 1991, over two-thirds of the registered voters of the District approved the authorization to issue bonds of the District in an aggregate principal amount of $51 million. The District issued all of the bond authorization through five series of bonds. There is no remaining authorization under the 1991 authorization.

On November 2, 2004, over 55% of the registered voters of the District approved the authorization to issue bonds of the District in an aggregate principal amount of $79 million. The District issued all of the bond authorization through three series of bonds. There is no remaining authorization under the 2004 authorization.

On April 24, 2007, over 66.6% of the registered voters of the SFID approved the authorization to issue bonds of the SFID in an aggregate principal amount of $115 million (the "2007 Authorization"). The District issued -$14.9 million through two series of bonds in 2011 and 2017, leaving -$100.1 million of unissued authorization. The District anticipates issuing $40 million in early December 2018 and the remaining authorization when assessed valuation growth allows.

On November 8, 2016, over 55% of the registered voters of the District approved the authorization to issue bonds of the District in an aggregate principal amount of $96 million. The District issued $50 million in 2017, leaving $46 million of unissued authorization. The District anticipates issuing the remaining bonds in two installments: $35 million in late December 2018 and $11 million in 2021.

The District anticipates needing a waiver of Education Code section 15102 in order to issue $40 million in general obligation bonds under the 2007 Authorization. The District, on behalf of the SFID, is requesting the waiver to issue bonds using a 2.86% debt limit factor until December 31, 2025. This length of time is necessary in order to have capacity to issue i) $40 million in the 2018-19 fiscal year and ii) the remaining $60.1 million in authorization under the same debt limit factor (if tax rate capacity allows).

B. Financial Information

The attached Bonding Capacity Analysis shows the assessed valuation and existing debt service requirements.

The 2007 Measure was approved under Proposition 46. As such, there is no legal maximum tax rate. The attached analysis shows that the District expects to maintain a tax rate of approximately $38.69 per $100,000 of assessed valuation on the 2007 Authorization after this $40 million bond issuance.

C. Reasons to approve this waiver

1. Approval will permit the District to provide essential learning facilities to its students sooner, rather the waiting until a future fiscal year when the bond indebtedness of the SFID is expected to fall below the 1.25% limit set forth in the California *Education Code*.

2. Approval will allow the District to capitalize on lower construction costs.

3. Approval will allow the District to take advantage of low interest rates.

4. Approval will satisfy the will of SFID voters who approved the 2007 Authorization.

Student Population: 10237

City Type: Suburban

Public Hearing Date: 7/24/2018

Public Hearing Advertised: Notice in newspaper

Local Board Approval Date: 7/24/2018

Community Council Reviewed By: School Board & Bargaining Units

Community Council Reviewed Date: 7/24/2018

Community Council Objection: No

Community Council Objection Explanation:

Audit Penalty Yes or No: No

Categorical Program Monitoring: No

Submitted by: Ms. Chris Hiatt

Position: Vice President

E-mail: [chris.hiatt@keygentcorp.com](mailto:chris.hiatt@keygentcorp.com)

Telephone: 310-774-7071

Bargaining Unit Date: 05/29/2018

Name: California School Employees' Association

Representative: Elaine Pike

Title: President

Position: Support

Bargaining Unit Date: 05/29/2018

Name: Roseville Secondary Education Association

Representative: Paul Hayes

Title: President

Position: Support