

Proposition L: Lakeside Union School District \$31 Million Bond Reauthorization Measure

SDCTA **SUPPORTS** the Lakeside Union School District bond measure. The measure meets key provisions of the SDCTA Bond Support Criteria. Under Proposition V, the district has been able to considerably reduce the amount of need as outlined in their 2008 facilities master plan. The proposed bond is a blend of capital and technology projects, with short-term, low-cost bonds being used to fund technology. The proposed bond will not eliminate all of the needs of the district.

- In 2008, voters in the Lakeside Union School District approved Proposition V, which authorized the issuance of \$79,550,000 in bonds for facility upgrades and the modernization of school sites within the district.
- The bond measure authorized the district to impose an annual property tax of no more than \$30 per \$100,000 assessed valuation.
- Since 2008, the district has issued \$34.8 million in voter-approved bonds.
- The district has stated that \$36 million in Proposition V projects have been completed thus far.
- The district has proposed a bond measure for the November 2014 election that would reauthorize \$31 million in Proposition V bonds.
- Of the \$31 million in proposed reauthorized bonds, \$14.8 million are proposed to be EdTech® Bonds, bonds with maturities of five years or less specifically for technology infrastructure and devices.
- The remaining \$16.2 million will be issued in a traditional 25 year current interest bond in 2021.
- Under Proposition V, the district has spent approximately \$10.1 million on technology infrastructure/modernize technology projects.
- The district is expected to issue \$2.8 million in Ed-Tech® bonds in 2015, \$3.0 million in 2018, then \$1 million every three years beginning in 2021. The final \$1 million issuance is projected to occur in 2045.
- The proposed measure will impose an additional tax of \$30 per \$100,000 of assessed value, resulting in a projected not to exceed amount of \$60 per \$100,000 assessment when including the initial ballot measure passed in 2008
- The total amount of interest projected to be paid for the total \$31 million in bonds is \$12.8 million.



Proposition L: Lakeside Union School District \$31 Million Bond Reauthorization

Measure

August 2014

SDCTA Position:

SUPPORT

Rationale for Position:

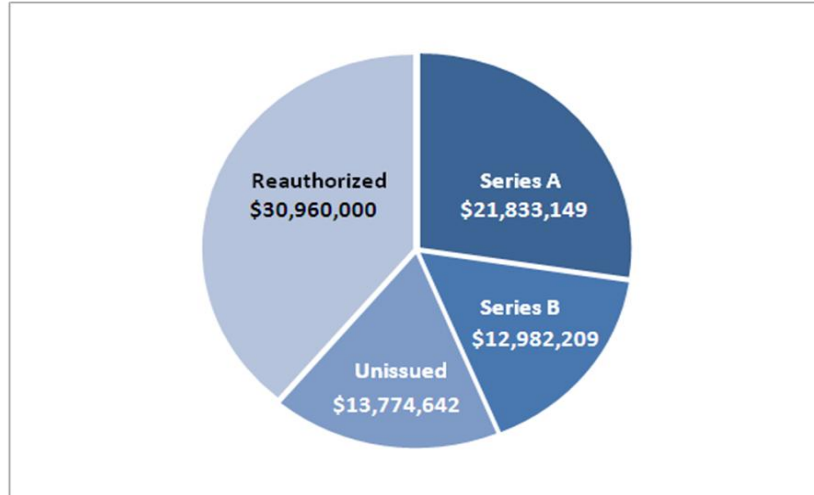
The measure meets key provisions of the SDCTA Bond Support Criteria. Under Proposition V, the district has been able to considerably reduce the amount of need as outlined in their 2008 facilities master plan. The proposed bond is a blend of capital and technology projects, with short-term, low-cost bonds being used to fund technology. The proposed bond will not eliminate all of the needs of the district.

<p>Title: “Lakeside Union School District Bond \$31 Million Reauthorization Measure”</p> <p>Election: November 2014 General</p> <p>Description: The authorization of \$31 million of bonds to pay for capital and technology projects with an increase in property taxes of \$30 per \$100,000 of assessed value. It is projected \$16.2 million will be used for capital and \$14.8 million for technology devices and infrastructure. All bonds proceeds used to pay for technology would be limited to a maturity of no more than five years.</p> <p>Jurisdiction: Local</p> <p>Vote: 55% Super Majority</p> <p>Fiscal Impact: This bond would require residents to pay a tax projected to be up to \$30 per \$100,000 of assessed property value. This tax is in addition to the \$30 per \$100,000 of assessed valuation approved by voters in 2008 under Proposition V.</p> <p>Status: November 4, 2014 General Election ballot</p> <p>Proponents: Lakeside Union School District Governing Board</p> <p>Opponents: None known</p>

Background:

The Lakeside Union School District is comprised of nine public schools and two charter schools: Lakeside Farms, Lakeview, Lemon Crest, Lindo Park, Mandarin Language Academy, Riverview, Winter Gardens, Tierra del Sol Middle, Lakeside Middle, East County Academy of Learning and Barona Indian Charter.

Figure 2: Distribution of Proposition V Bond Funds



Source: Lakeside Union School District

SDCTA Past Position

In 2008, the SDCTA endorsed Proposition V because it met the “the vast majority of the Board-adopted criteria for bond support.”

Proposal:

The Lakeside Unified School District has proposed a bond measure for the November 2014 election that reads as follows:

“To increase student access to classroom computers; upgrade/construct science labs throughout the district; renovate/modernize classrooms/facilities; and reduce overall borrowing costs, shall \$31,000,000 of Lakeside Union School District Bonds, previously approved by voters in November 2008, be reauthorized through issuance of new bonds, with no increase in total authorized District debt, interest rates below legal limits, independent citizen oversight, and no money taken by the State and spent elsewhere or used for administrator salaries?”

The bonds will be issued over a 30 period, beginning in 2015 and ending in 2045. Figure 3 outlines the proposed disbursement schedule:

Figure 3: Proposed Issuance of Bonds

Year	Ed-Tech®	Conventional	Total
2015	\$2,769,134	\$0	\$2,769,134
2018	\$3,025,908	\$0	\$3,025,908
2021	\$1,000,000	\$16,165,000	\$17,165,000
2024	\$1,000,000	\$0	\$1,000,000
2027	\$1,000,000	\$0	\$1,000,000
2030	\$1,000,000	\$0	\$1,000,000
2033	\$1,000,000	\$0	\$1,000,000
2036	\$1,000,000	\$0	\$1,000,000
2039	\$1,000,000	\$0	\$1,000,000
2042	\$1,000,000	\$0	\$1,000,000
2045	\$1,000,000	\$0	\$1,000,000
Total	\$14,795,042	\$16,165,000	\$30,690,042

Source: Dale Scott & Co.

Proposition V Completed Projects

When Proposition V was originally presented to voters, the district designated projects within three priority categories. The district planned for Priority 1 projects to be completed in 2012, Priority 2 projects in 2016 and Priority 3 projects in 2020. In total, all of the projects would cost approximately \$62 million, not including contingency, program administration and cost escalation.

Figure 4: Proposition V Project List and Projected Budget

Funding By Priority				
Campus/Facility	Priority 1	Priority 2	Priority 3	Total
Barona Indian Charter	\$0	\$114,000	\$0	\$114,000
Central Kitchen	\$93,000	\$144,000	\$0	\$237,000
Community	\$897,000	\$0	\$715,000	\$1,612,000
District Office	\$179,000	\$0	\$0	\$179,000
ECAL	\$425,000	\$713,000	\$235,000	\$1,373,000
Lakeside Farms	\$1,301,000	\$1,688,000	\$2,097,000	\$5,086,000
Lakeside Middle	\$11,131,000	\$4,092,000	\$1,271,000	\$16,494,000
Lakeview	\$4,654,000	\$1,686,000	\$2,131,000	\$8,471,000
Lemon Crest	\$1,318,000	\$1,758,000	\$2,059,000	\$5,135,000
Lindo Park	\$1,470,000	\$1,561,000	\$2,198,000	\$5,229,000
River Valley High	\$162,000	\$0	\$0	\$162,000
Riverview	\$1,198,000	\$1,481,000	\$1,890,000	\$4,569,000
Tierra del Sol	\$4,096,000	\$1,861,000	\$2,838,000	\$8,795,000
Winter Gardens	\$956,000	\$1,158,000	\$1,925,000	\$4,039,000
Maintenance/Operations/ Transportation	\$553,000	\$0	\$0	\$553,000
Total	\$28,433,000	\$16,258,000	\$17,359,000	\$62,050,000
Program Administration (8%)	\$2,274,640	\$1,300,640	\$1,388,720	\$4,964,000
Program Contingency (3%)	\$921,229	\$526,759	\$562,432	\$2,010,420
Escalation (5.69%/yr.)	\$3,959,302	\$5,865,638	\$10,657,852	\$20,482,792
Grand Total	\$35,588,171	\$23,951,037	\$29,968,004	\$89,507,212

Source: Lakeside Union School District

The district has stated that \$36 million in Proposition V projects have been completed thus far. In 2008, the district originally divided projects into three separate priority phases. The projects that have been completed thus far have been across all three priorities.

Technology

As part of the original bond measure approved in 2008, the district intended to spend \$21.1 million on technology improvements at district schools. Under Proposition V, the district has spent approximately \$10.1 million on technology infrastructure/modernize technology projects. Under the proposed bond, the district is scheduled to issue \$14.8 million in Ed-Tech bonds.

Figure 5: Completed Technology Projects

Site	Project	Amount
Barona Indian Charter	Modernize Technology	\$10,000
District-Wide	Modernize Technology Infrastructure	\$4,413,016
Tierra Del Sol	Create Computer Lab	\$68,105
District-Wide	Modernize Technology Infrastructure	\$5,657,158
Total		\$10,148,279

Source: Lakeside Union School District

New Bond Projects

Per the ballot resolution adopted by the district, any bonds issued for “Additional Technology Equipment and Projects” shall not mature more than five years for the date of issuance. Figure 6 below outlines the projects and items listed under this category within the ballot resolution. In total, it is projected \$14.8 million in bonds will be issued to pay for these projects.

Figure 6: Proposed Technology Equipment and Projects

Category	Project	Category	Project
Devices & Technology Systems	Computers and peripheral hardware	Software	Educational software
	Smart boards		Student performance assessment software
	Document cameras		Telecommunications software
	Wireless microphones		Website development & maintenance
	Printers, copiers and scanners		Vocational education training software
	Teacher-parent communication systems		Disaster recovery hardware and software
	Data backup systems		Classroom & district-wide security software
	Classroom & district-wide security system hardware		Document retention software
Implementation	Installation and upgrading of various technology systems	Infrastructure	Software related to overall instructional services, business services, and human relation services of the District
	Costs of providing training related to use and implementation of technology projects		Remote learning software
	Future technology projects as set forth in District's Board approved technology plan		Capital technology projects including but not limited to wiring of data centers, classrooms and school facilities
			Computer and technology wiring, servers, routers, switches and other information devices

Source: Lakeside Union School District

The district is expected to issue \$2.8 million in Ed-Tech® bonds in 2015, \$3.0 million in 2018, then \$1 million every three years beginning in 2021. The final \$1 million issuance is projected to occur in 2045. Figure 6 outlines the items expected to be funded by each bond issuance.

Figure 7: EdTech® Bond Issuances

Issuance Date	Issuance Amount	Items
2015	\$2.8 million	Devices for grades K-1, 5-8
		Routers
		Technology infrastructure
2018	\$3 million	Refresh devices
		Replace wifi routers
		Servers
		Other hardware as needed
2021 + every 3 years	\$1 million	Replace mobile devices
		Digital classroom needs

Source: Lakeside Union School District

The district has provided SDCTA with a breakdown of the items to be purchased with each bond issuance, the quantity expected to be purchased and the projected cost per unit.

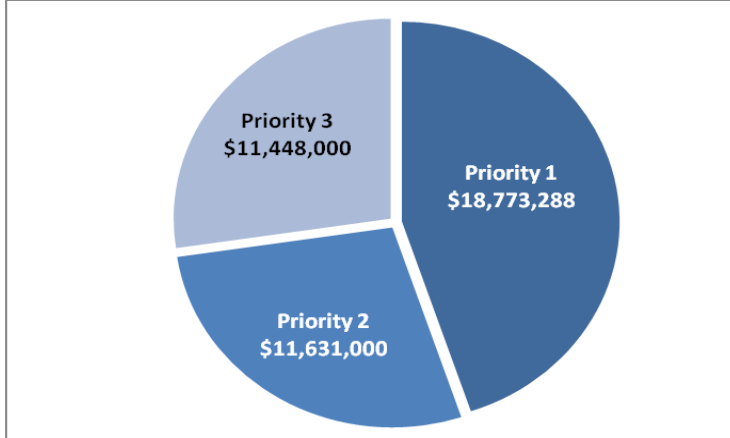
The proposed bond measure outlines \$16.1 million in bonds to be used for capital infrastructure. The issuance date is scheduled for 2021. The district has outlined for following eight needs expected to be funded:

1. Improve energy efficiency at all sites
2. Continue to improve safety and security of sites
3. Install shade structures at all schools
4. Bathroom improvements at all sites
5. Improve existing multipurpose room at Tierra Del Sol (construct theatre)
6. Improve existing elementary school multipurpose rooms
7. Modernize classroom furnishings to support 21st century learning
8. Upgrade middle school science labs

The district has updated its Facilities Master Plan based upon the same priority levels used in the 2008 plan. In total the needs of the district amount to \$41.8 million. According to the district, Priority 1 needs total \$18.8 million. This includes \$8.8 million is technology needs, which would be funded by the EdTech® bonds should voters approve the measure. The \$16.1 million in capital bonds would then be used toward the remaining Priority 1 projects and a portion of Priority 2 projects.

It is unclear how many of the Priority 2 projects will be completed, but assuming all of the projects are completed on budget, approximately \$6 million in Priority 2 projects would be completed.

Figure 8: Update Facilities Master Plan Projects by Priority



Source: Lakeside Union School District

Fiscal Impact:

The proposed measure will impose an additional tax of \$30 per \$100,000 of assessed value, resulting in a total \$60 per \$100,000 assessment when including the initial ballot measure passed in 2008. The District has also received nearly \$4 million from State Bond Funds to augment the program.

Aside from the scheduled \$16.2 million bond issuance for capital infrastructure in 2021, each bond issuance for technology is projected to be paid off in three years. A 25 year current interest bond is scheduled to be issued in 2021. The total amount of interest projected to be paid for the total \$31 million in bonds is \$12.8 million.

Figure 9: Principal and Interest Totals

Issuance	Principal	Interest
2015	\$2,800,000	\$80,630
2018	\$3,000,000	\$147,743
2021	\$16,200,000	\$12,162,301
2021 + every 3 years	\$9,000,000	\$362,376
Total	\$31,000,000	\$12,753,050

Source: Dale Scott & Co.

As mentioned previously, any bonds issued for the purposes of “Additional Technology Equipment and Projects” are required to have a maturity of no more than five years. The remaining bonds issued as part of the reauthorization measure are required to be issued with maturities of no more than 25 years, as well as other criteria established under Assembly Bill 182.

Should voters approve the reauthorization of \$30.1 million of Proposition V funds, \$13.8 million will remain as approved in 2008, but have yet to be issued.