

## **Measure Z: Southwestern Community College District \$400 Million General Obligation Bond Measure**

SDCTA **OPPOSES** the Southwestern Community College District bond measure. The District has not formally submitted sufficient information to the SDCTA requesting its endorsement. All information in this brief was obtained from the District's web site, the San Diego Union Tribune, and correspondence from the District Program Manager. As such it contains limited detail. It is unclear whether the District has or will adopt SDCTA recommended best practices, or if the District has met the key provisions of the SDCTA Bond Support Criteria. The SDCTA believes that if the District was unable to provide detailed information about the financials and management of its bond program for analysis, it is also likely not to be transparent with the public about these details.

- On November 4, 2008, voters passed Proposition R authorizing the District to issue \$389 million in General Obligation bonds to be used for renovation and construction of its facilities.
- Bond funds could also be used for furniture and equipment, site acquisition, and leasing property for facilities and construction management by District staff.
- Several educational buildings and athletic facilities have been constructed to date, with nearly \$290 million in funds already issued.
- On March 4, 2012, the Board voted to re-evaluate Proposition R projects to adjust its priorities and determine the best use of bond funds.
- The District is refinancing \$100 million of Proposition R debt at a lower interest rate, which could save taxpayers over \$13 million.
- This November, the District will place a \$400 million bond measure on the ballot for improvements to its facilities that are meant to support veterans and job training.

*Measure Z: Southwestern Community College District \$400 Million Bond Measure*

**SDCTA Position:**

**OPPOSE**

**Title:** *Measure Z: Southwestern Community College District \$400 Million Bond Measure*

**Election:** November 2016

**Description:** The issuance of \$400 million in Proposition 39 General Obligation Bonds with an increase in property taxes by a maximum of \$25 per \$100,000 of assessed value to fund school modernization.

**Jurisdiction:** Local

**Vote:** 55% Super Majority

**Fiscal Impact:** **NO** information has been provided, and no information is available to evaluate the fiscal impact of the bond measure on District taxpayers.

**Rationale:**

SDCTA OPPOSES the Southwestern Community College District bond measure. The District has not formally submitted sufficient information to the SDCTA requesting its endorsement. All information in this brief was obtained from the District's web site, the San Diego Union Tribune, and correspondence from the District Program Manager. As such it contains limited detail. It is unclear whether the District has or will adopt SDCTA recommended best practices, or if the District has met the key provisions of the SDCTA Bond Support Criteria. The SDCTA believes that if the District was unable to provide detailed information about the financials and management of its bond program for analysis, it is also likely not to be transparent with the public about these details.

The District's Superintendent, Timothy Flood, and Program Manager, Mark Claussen, both attended SDCTA's "Envisioning and Managing Legitimate and Effective Public School Bonds" course on May 13, 2016.

**Background:**

Founded in 1961, the Southwestern Community College District serves nearly 400,000 residents from several communities across San Diego County. Current enrollment at the Southwestern Community College campus and all extension sites is over 19,000 students. The District offers four-year degree preparation classes, as well as career training.

The District has an estimated \$466 million in outstanding needs, and hopes voters will approve a bond measure to help address issues in its facilities and improve its educational environment.

**Proposal:**

On August 9, 2016, the Southwestern Community College District Board of Trustees voted to place a \$400 million school bond measure on the November 8, 2016 ballot.

The ballot question to be put before voters reads as follows:

**“SOUTHWESTERN COLLEGE AFFORDABLE EDUCATION, JOB TRAINING/VETERAN SUPPORT MEASURE.** To repair/upgrade local community college campuses, prepare students/veterans for jobs/university transfer, repair deteriorating roofs, electrical wiring, gas, water/sewer lines, remove asbestos/lead paint, improve energy efficiency/campus safety/security, upgrade, acquire, repair, construct classrooms/labs/sites/facilities/equipment, shall Southwestern Community College District issue \$400 million in bonds at legal rates, no money for administrators’ salaries/pensions, independent audits, citizen oversight, all funds used locally?”

### **Review of SDCTA Bond Support Criteria:**

#### *Program Description, Budget & Funding, Execution Plan*

Limited information has been provided, and no information is available on web sites to validate the feasibility of the bond program or evaluate the project list and cost estimates.

Based on the information received by SDCTA from the District, the project list will include:

- New Performing Arts and Cultural Center Complex
- New Parking Structure
- New Student Union Complex
- New Building Higher Education Center, San Ysidro
- New Business and Communications Building
- New Fine Arts Building/Gallery
- New Planetarium/Exhibit Hall & Large Lecture

#### *Ballot Resolution and Language*

On August 9, 2016, the District will formally adopt the ballot language as previously indicated.

The SDCTA **CANNOT** verify whether or not the SCCD Board of Trustees has formally adopted the SDCTA’s Independent Citizens’ Oversight Committee Best Practices and SDCTA School Construction and Professional Services Procurement Best Practices. The District has **NOT** included within the draft ballot resolution its intent to pursue practical opportunities to incorporate joint-use within its bond program or SDCTA recommended provisions regarding fair and open competition for all District construction projects.

The project list that will be presented to voters does **NOT** identify the various projects by site. The language does not outline various projects by priority, but rather states that the projects will be completed as needed according to Board-established priorities. Proceeds of the bond may also be used to reimburse the District for the costs of issuing the bonds.

### *Deferred Maintenance*

The District has noted its plans to spend \$1,882,572 on maintenance projects at Southwestern College for the 2016-2017 school year. These include electrical upgrades, water line valve replacement, roof replacement, structural repairs, and sewer line repairs. The District also plans to use \$600,000 in both 2016 and 2017 for re-development agency funding. Projects are to include:

1. Simulation Laboratory additions and improvements
2. Bldg. 100 Office and Conference Room Remodel
3. Ground Cover Replacement/Water Conservation
4. HAVC Improvements Bldg. 600
5. HEC Otay Mea Storage Facility Public Safety Program
6. Provide Asphalt at Material Surplus Yar
7. Replace Hardware Roof Access Hatches Multiple Bldgs.
8. Grounds Building Restroom Addition
9. Remodel Facility Maintenance Buildings Office and Storage
10. New Cart Shed for Electric Service Carts
11. Provide New Counter Space at Entrance to the Welcome Center, Bldg. 1400
12. Install Exterior Shade and Awning to Support Outdoor Classroom Instruction, Bldg. 700  
Add Retaining Wall Near ADA Walkway to Limit Debris Accumulation. Safety Hazard
13. Running Track Resurface. Safety Hazard
14. Tree Trimming Campus Wide. Safety Hazard
15. New Storage Facilities, Maintenance
16. Roof Repair Tennis Building
17. Remodel Computer Lab Rooms 227 and 228
18. Provide Automatic Door Opener Room 436 (Disability Services)
19. Remodel Rooms 751B and 751C

### **SDCTA “Envisioning and Managing Legitimate and Effective Public School Bonds” Course:**

The SDCTA recommends that senior staff, Board members, or Independent Citizen Oversight Committee members from each school district attend SDCTA’s “Envisioning and Managing Legitimate and Effective Public School Bonds” Course. This course covers financing, construction, and governance in regards to school facilities bonds. Southwestern Community College District’s Superintendent and Program Manager attended SDCTA’s bond course on May 13, 2016.

### **Fiscal Impact:**

**NO** information has been provided, and no information is available on web sites to validate the estimated fiscal impact of the bond measure on District taxpayers. No schedule of bond sales, schedule of prior years Assessed Valuation (AV) history, or projected AV growth that has been utilized to arrive at the bond size has been provided.



Solana Beach School District Bond Support Application and SDCTA Bond Support Criteria			
Criteria Item	Info Provided?	Criteria Met?	Comments
Program Description	No	No	The District did not provide any information to the SDCTA
Program Budget and Funding	No	No	The District did not provide any information to the SDCTA
Cost Estimation and Feasibility	No	No	The District did not provide any information to the SDCTA
Program Justification	No	No	The District did not provide any information to the SDCTA
Facilities Master Plan & Facilities Needs Assessment	Yes	Yes	1) A Facilities Master Plan has been provided
			2) A 2016 Facilities Needs Assessment for the District has been provided
Program Execution Plan	Yes	No	The District did not provide a proposed timeline for projects or a cash-flow analysis for the sale of the proposed bonds
Fair and Open Competition	No	No	The District did not provide any information to the SDCTA
Bond Financing & Technology	No	No	The District did not provide any information to the SDCTA
Deferred Maintenance and Major Repair & Replacement Plan	Yes	No	1) The District provided a maintenance funding plan for the 2016-2017 school year, but no deferred maintenance funding history was provided.
			2) It is unclear how bond funds would go toward long term deferred maintenance and major repair and replacement funding
Complete Ballot and Resolution Language	Yes	No	1) The Ballot language was adopted on August 4, 2016
			2) The District does NOT outline project list by site
Provision for an "Independent Citizens' Oversight Committee"	No	No	The District did not provide any information to the SDCTA
Adoption of SDCTA School construction and Professional Services Procurement Best Practices	No	No	The District did not provide any information to the SDCTA
Certification of Governing Board Members and Oversight Committee Members	Yes	Yes	1) The District's Superintendent and Program Manager attended the SDCTA "Envisioning and Managing Legitimate and Effective Public School Bonds" course on May 13, 2016
Limited Use of District's "Education" Funds	No	No	The District did not provide any information to the SDCTA
Joint Use of Facilities	No	No	The District did not provide any information to the SDCTA
Opposition to Special Elections			
Follow-Up Bond Requirement			