

2018 Bond Measure Resolutions Ordering A School Bond Election

July 18, 2018



Presenter
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Vision

All NUSD students
graduate as college
and career ready,
productive,
responsible, and
engaged global
citizens

Core Beliefs

**Every student
can learn and
succeed**

**Disparity and
disproportionality
can and must be
eliminated**

**Our
Diversity is a
Strength**

**Staff must be
committed,
collaborative,
caring, and
exemplary**

Goals 2017-2022

1. Increase student success in ELA, math, science, literacy, and civics
2. Prepare students to be college and career ready
3. Engage parents and families to support student success in school
4. Create safe and welcoming learning environments where students attend and are connected to their schools
5. Recruit, hire, train, and retain high quality staff who are committed, collaborative, caring and exemplary

Goal 4 Strategic Directions



4.1 Refine the continuum of services to increase the consistency of schoolwide student behavior expectations and outcomes

4.2 Support schools as each continues to develop inclusive, engaging, safe and supportive school culture and climate

4.3 Promote and refine the award-winning social emotional support program for our students

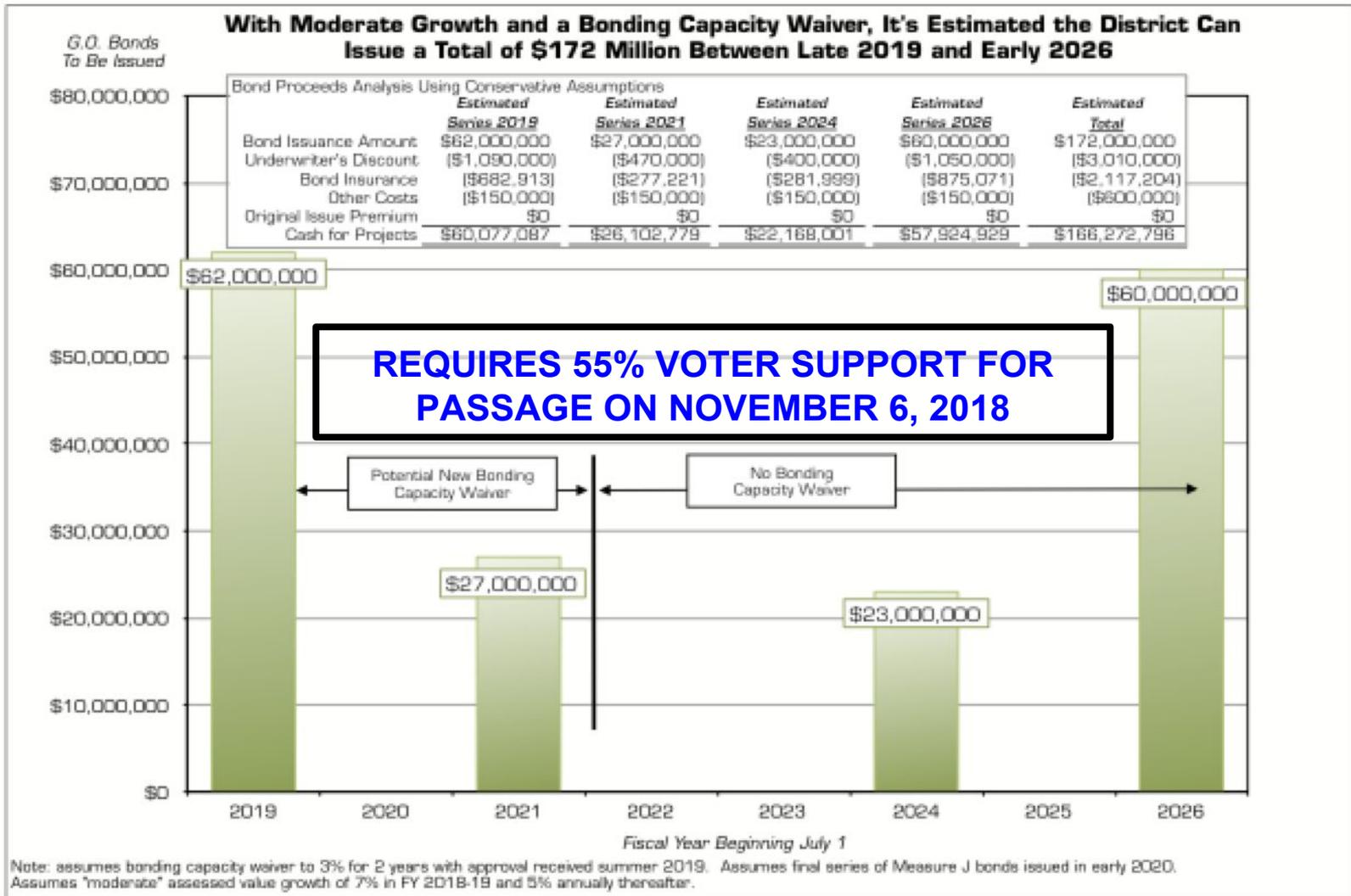
4.4 Improve maintenance and cleaning of facilities through standard operating procedures and efficiencies

4.5 Increase the timely repair of district facilities, equipment, and internet access to support the learning environment

Objectives

- Share the proposed Bond Measure amount and pace of bond sales
- Share why there are two resolutions
- Share Measure D forfeiture language
- Share additions to the Bond Project List

\$172 Million Potential New Measure



Bond Capacity Waiver

- Education Code 15106 and 15270 establish a limit on the total principal amount of debt that the District may have outstanding at any time, being, in the case of a unified school district, 2.50% of the total assessed value of all taxable real property within the boundaries of said district
- Education Code section 33050 authorizes the State Board of Education (SBE) to waive certain provisions of the Education Code following a public hearing conducted and an application by a school district
- If approved by the NUSD Board and then by the SBE, a waiver would increase the 2.50% limit to 3.00% for two years and increase the first bond sale from \$12M to \$62M and obtain funds a year sooner

Pace of Bonds Depends on Waiver

<u>Assessed Value Growth</u>	<u>Bond Measure Amount</u>	<u>Estimated Funding</u>	<u>Estimated Timeframe</u>	<u>Bond Series</u>	<u>Bonding Capacity Waiver Approved</u>		<u>Bonding Capacity Waiver Not Approved</u>		
					<u>Estimated Bond Amount</u>	<u>Estimated Funding</u>	<u>Bond Series</u>	<u>Estimated Bond Amount</u>	<u>Estimated Funding</u>
"Moderate" 7% Next Year 5% Annually Thereafter	\$172 Million	\$166.2 Million	8 Years	2019	\$62 Million	\$60.0 Million	2019		
				2020			2020	\$12 Million	\$11.6 Million
				2021	\$27 Million	\$26.1 Million	2021		
				2022			2022	\$47 Million	\$45.5 Million
				2023			2023		
				2024	\$23 Million	\$22.2 Million	2024	\$57 Million	\$55.1 Million
				2025			2025		
				2026	\$60 Million	\$57.9 Million	2026	\$56 Million	\$54.0 Million
				<u>\$172 Million</u>	<u>\$166.2 Million</u>		<u>\$172 Million</u>	<u>\$166.2 Million</u>	

Notes: based on maximum tax levy of \$60 per \$100,000 of assessed value, average tax levy of \$50 per \$100,000 of assessed value, 25 year bond terms, no CABs.

Assessed value growth rate assumed for net local secured AV, with other types of AV assumed to remain unchanged.

Estimated funds received is the estimate of funds generated from the bond measure after all upfront costs, including underwriter's discount, bond insurance, and costs of issuance including legal counsel, financial advisor, rating agency, etc.

Estimated timeframe is the estimated time to complete the issuance of all the bonds authorized by the measure (2019-2026)

Based on market interest rates as of October 2017 adjusted for credit rating and timing based on historical volatility.

Resolution 18-18 Ballot Language

The proposed ballot language for Resolution 18-18 aligns to Assembly Bill 195 (AB 195):

- AB 195: Effective January 1, 2018
- Requires the ballot include the amount of money to be raised annually and the rate and duration of the tax to be levied

AB 195

- May cause voter confusion
- Consumes 16-20 words of the 75 available for a ballot question

Resolution 18-18

Ballot Language

With AB 195:

“To enhance quality education in Natomas, increasing student safety/security, upgrading classrooms for 21st century learning and college/career readiness with technology/equipment, upgrading aging infrastructure/utilities and repairing/constructing facilities, shall Natomas Unified School District issue \$172 million of bonds with an estimated \$11 million dollars in taxes raised annually on average for 32 years at maximum projected tax rates of 6 cents per 100 dollars of assessed valuation with citizen oversight, annual audits and no money for administrators' salaries/pensions?”

Resolution 18-19

Ballot Language

If an AB 195 amendment/suspension is enacted by Legislators and/or the Governor prior to submitting only one of these resolutions to the Sacramento County Elections Office by August 10, 2018 (statutory deadline), the ballot question will not be required to include the amount of money to be raised annually and the rate and duration of the tax to be levied.

Without AB 195:

“To enhance quality education in Natomas, increasing student safety/security, upgrading classrooms for 21st century learning and college/career readiness with technology/equipment, upgrading aging infrastructure/utilities and repairing/constructing facilities, shall Natomas Unified School District issue \$172 million of bonds at legal interest rates, with citizen oversight, annual independent audits and no money for administrators' salaries or pensions?”

Measure D

Forfeiture Language

Both Resolutions include the following covenant:

“Covenant to Forfeit Measure D (2006). Upon passage of this measure and the issuance of any Bonds authorized hereunder, the District covenants that it will not issue any bonds pursuant to the authorization remaining under Measure D (2006) and shall consider such authorization forfeit, null and void.”

This will null and void the remaining \$30 million bond series of the 2006 Measure D bond, only if this new bond measure is passed by voters.

2018 Bond Project List Additions

The following projects were added to the proposed 2018 Bond Project List in addition to the projects approved under Measure J:

- Joint Use Facilities with neighboring school district(s) / agency(ies).
- New Schools/Buildings Construction Based on Continued Growth (New High School, New Elementary, and or New K-8 School).
- Prepay COPs. Prepay certificates of participation issued to finance school facilities intended to be funded with general obligation bonds but required prior to the availability of bond proceeds to avoid increased interest rates, increasing construction costs, and address growth needs sooner.

QUESTIONS

Resolution 18-18

Ballot Language

With AB 195:

To enhance quality education in Natomas,

- increasing student safety/security,*
- upgrading classrooms for 21st century learning and college/career readiness with technology/equipment,*
- upgrading aging infrastructure/utilities and repairing/constructing facilities,*

shall Natomas Unified School District issue \$172 million of bonds with an estimated \$11 million dollars in taxes raised annually on average for 32 years at maximum projected tax rates of 6 cents per 100 dollars of assessed valuation with citizen oversight, annual audits and no money for administrators' salaries/pensions?"

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shall Natomas Unified School District issue \$172 million of bonds at legal interest rates, with citizen oversight, annual independent audits and no money for administrators' salaries or pensions?”