

*Proposition: T: Escondido Union High School District Bond Measure*

**Board Recommendation:**

**SUPPORT**

**Rationale:**

The Escondido Union High School District bond proposal qualifies for SDCTA endorsement, meeting the vast majority of the Board-adopted criteria for bond support.

**Background:**

The Escondido Union High School District (EUHSD) consists of over 8,5000 students enrolled at three comprehensive high schools, one continuation school and one independent study school. Another 10,000 individuals are enrolled throughout the year in Adult Education classes and Regional Occupational Programs (R.O.P.).

In 1996, 71 percent of district voters approved Proposition A, a \$43 million bond measure to address needs at Escondido High School, Orange Glen High School, San Pasqual High School, as well as construct a fourth comprehensive high school, Valley Center High School. The District completed all of the projects listed under the measure, and will not be using monies from the proposed measure to fulfill Proposition A promises. Even though not required, the District formed an Oversight Committee to monitor the progress of the projects outlined within Proposition A.

**Proposal:**

The question before voters will read as follows:

“To improve student learning and college/job readiness, relieve overcrowding and qualify for State matching funds, shall Escondido Union High School District rehabilitate deteriorated classrooms/equipment/sites/joint-use facilities, construct new science/computer labs, upgrade technology, improve safety/energy-efficiency, replace portables, add classrooms, and construct a new small high school; by issuing \$98,000,000 in bonds at legal rates, including independent oversight, no administrator salaries, and all money benefiting local high school, while maintaining current tax limits?”

Each of the projects within the ballot measure has been submitted with detailed budgets and implementation schedules. The projects have also been divided into two categories: new construction and modernization. The budgets also include soft costs, reserves and contingency amounts.

**Facilities Master Plan:**

The District’s Facilities Master Plan is broken into three phases:

- Phase I
- Phase IIA
- Phase IIB
- Escondido Education Center

Phase I of the Master Plan consists of the construction of Learning Centers at the three comprehensive high schools within the District. The learning centers are free-standing counseling centers and computer labs that will serve as the hub of the District’s independent study program at Escondido, Orange Glen and San Pasqual High Schools.<sup>1</sup>

Phase IIA entails the addition of classrooms at the three traditional high schools, with a particular emphasis on science and art classes at Escondido High School. For each of these schools, the Master Plan calls for the removal of relocatables for permanent structures. Current architect estimates total \$67.3 million to complete all of the projects within this phase.

If the District is unable to reduce this amount, lower priority items will be delayed to reach the \$60 million allocated. It is the belief of the District that as they begin to receive bids for these projects, the total amount will reach the \$60 million budgeted amount. If the estimates continue to remain above the budgeted amount, redevelopment revenues may make up the difference. This is uncertain though as the tax-sharing agreement with the City of Escondido has yet to be finalized.

A list of these lower priority projects is outlined in Table 2. A budget list by school as well as their projected completion date can be found on Table 3.

<b>Table 1</b>		
<b>Deductive Alternates - If Necessary</b>		
<b>School</b>	<b>Project</b>	<b>Amount</b>
Escondido High School	Ag Barns	\$ .5 Million
Orange Glen High School	Ceramics Facility	\$1.2 Million
Escondido High School	Administration Bldg. Addition	\$ .7 Million
Escondido High School	Gymnasium Floor Replacement	\$ .4 Million
Escondido High School	Synthetic Field Surface	\$ .8 Million
San Pasqual High School	Track & Field	\$1.3 Million
San Pasqual High School	Phys. Ed./Dance Building	\$2.3 Million
<b>Total</b>		<b>\$7.3 Million</b>

<sup>1</sup> “High school district advances bond measure plans”. *North County Times*. Shayna Chabner. June 17, 2008.

Phase IIB will provide for the construction of a new small high school on District owned property on Citracado Parkway. Design plans call for a 500-student biotechnology and medical-focused magnet school to include academic/vocational/job-training equipment, science and computer labs, and space for student-support services. The design will also allow for the potential expansion to 800 students. The cost of the initial construction is estimated at \$40 million, while the expansion would total \$28 million.

Phases IIA and IIB are the only projects within the Master Plan that will be funded through bond dollars.

<b>Escondido Union High School District</b>						
Locatio	Soft Costs Contingenci	New Constructio	Modernizati	Total Construction	Total Cost	Estimate Completion
Escondido High	\$ 6,077,78	\$ 12,916,50	\$ 3,979,76	\$ 16,896,26	\$ 22,974,05	Apr-
Orange Glen High	\$ 2,596,09	\$ 15,049,25	\$ 3,343,83	\$ 18,393,08	\$ 20,989,18	Jul-
San Pasqual High	\$ 6,099,67	\$ 15,984,00	\$ 1,277,45	\$ 17,261,45	\$ 23,361,12	May-
Citracado High	\$ 9,588,72	\$ 30,302,50	\$ -	\$ 30,302,50	\$ 39,891,22	Apr-
Citracado High School (300 Student	\$ 5,867,96	\$ 17,595,00	\$ -	\$ 17,595,00	\$ 23,462,96	

The final phase of the Master Plan includes the construction of the Escondido Education Center at an estimated cost of \$25 million. This facility will be located adjacent to the Palomar College satellite campus on Midway Drive. This project though will not be funded through monies raised by the bond measure. Instead, this project will be funded through the redevelopment funds paid to the District by the City of Escondido through the agreed upon tax-sharing agreement.

**Fiscal Impact:**

Rather than increasing the tax rate to pay for the bonds, the District will extend the current tax rate of \$18.50 per \$100,000 of assessed value, the tax increase approved by voters in 1996.

The District will be utilizing Certificates of Participation (COP's) in the amount of \$10.7 million to complete Phase I of the Master Plan, as well begin planning for Phase IIA and Phase IIB. The remaining cost of implementing the Facilities Master Plan totals \$153 million. The \$98 million in bonds approved by voters will be dedicated to Phases IIA and IIB only.

The remaining difference will be made up through a tax-sharing agreement between the District and the City of Escondido. The District is currently in the process of finalizing the actual amount to be paid by the city. The terms of that agreement will allow the District to receive between \$82 million and \$254 million. Once the agreement is finalized, the length and amount of the yearly funding will be determined. Those funds will be dedicated towards

the construction of the Adult Education Center, as well as fulfilling the needs of Phases IIA and IIB so as not to cut the projects outlined within the Deductive Alternatives.

Passage of the bond will also qualify the District to receive \$8.4 million in State matching funds.

**Deferred Maintenance:**

The District has stated there is no deferred maintenance backlog that requires funding. Over the past five years, the District has allocated over \$2 million, including the portion matched by the state, for maintenance needs including the replacement of heating and ventilation systems, roof replacements and repairs, asphalt repairs, and major painting projects at all of the schools. Three percent of the District’s operating budget is allocated to a Routine Restricted Maintenance Account to ensure routine repairs are addressed. An outline of the District’s planned funding for the next five years is listed in Table 4 below.

<b>Project Category</b>	<b>Number of Projects</b>	<b>Current Fiscal Year</b>	<b>Second Fiscal Year</b>	<b>Third Fiscal Year</b>	<b>Fourth Fiscal Year</b>	<b>Fifth Fiscal Year</b>	<b>Total Estimate Cost</b>
Classroom Lighting	15	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ -	\$ 60,000
Electrical	15	\$ -	\$ -	\$ 5,000	\$ 10,000	\$ 15,000	\$ 30,000
Floor Covering	25	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 135,000
HVAC	20	\$ 55,000	\$ -	\$ 322,000	\$ 83,000	\$ 112,000	\$ 572,000
Painting	25	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000
Paving	25	\$ 75,000	\$ 75,000	\$ 75,000	\$ 60,000	\$ 60,000	\$ 345,000
Plumbing	10	\$ -	\$ -	\$ -	\$ 20,000	\$ 25,000	\$ 45,000
Roofing	25	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000
Wall Systems	25	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000
<b>Grand Total</b>	<b>185</b>	<b>\$ 495,000</b>	<b>\$ 440,000</b>	<b>\$ 737,000</b>	<b>\$ 513,000</b>	<b>\$ 552,000</b>	<b>\$ 2,737,000</b>

**Independent Citizens’ Oversight Committee:**

Because the proposed measure is a Proposition 39 bond, the District is required to implement an Independent Citizens’ Oversight Committee (ICOC) upon passage. The District has stated the Board will formally adopt the SDCTA ICOC Best Practices at the August 5<sup>th</sup> Board meeting.

The ICOC will be comprised of at least 10 members, but no more than twelve, with members representing SDCTA, service club member, experts in finance and construction, other qualified at-large professionals, as well as one member from the neighborhood in which the new campus at Citracado Parkway will be located.

## SDCTA Bond Support Criteria Analysis

Escondido Union High School District Bond Support Application and SDCTA Bond Support Criteria			
Criteria Item	Info Provided?	Criteria met?	Comments (** Indicates a potential issue)
Program Description	Yes	Yes	1) The materials submitted to SDCTA a list of proposed projects by site and category. 2) Detailed construction plans and budgets for each facility have been presented 3) A list of proposed projects by building and category are listed in the ballot language
Program Budget and Funding	Yes	Yes	1) Site budgets with hard and soft costs included. 2) Program will be managed in-house. 3) Completion of Master Plan dependent on state matching funds and tax-sharing agreement with City.
Cost Estimation and Feasibility	Yes	Yes	1) Cost estimations completed and presented by site with corresponding project lists. 2) No site acquisition will be required for proposed projects.
Program Justification	Yes	Yes	1) Program will reduce reliance on Portables and upgrade technology on campuses 2) Bond funds will not be used to address deferred maintenance projects 3) Enrollment is projected to slightly increase until 2010-11, then begin to decline
Facilities Master Plan	Yes	Yes	1) A Facilities Master Plan has been submitted to SDCTA 2) Even though detailed projects and budgets for each site have been submitted, no formal Plan was submitted. Architectural plans and drawings are available to residents in District offices
Facilities Needs Assessment	Yes	Yes	1) A Master Plan was completed in response to specific site needs, and has been submitted to SDCTA
Program Execution Plan	Yes	Yes	1) Bond program will be managed in-house 2) The district has included scheduled construction start and end dates for each project 3) The first stage of the Facilities Master Plan will soon be completed - Learning Centers
Deferred Maintenance and Major Repair and Replacement Plan	Yes	Yes	1) The District currently does not have a deferred maintenance backlog 2) The District allocated 3% of operating budget for routine repairs
Complete Ballot and Resolution Language	Yes	Yes	1) Projects are listed by location and category within resolution 2) District has revised resolution to indicate lower priority projects may not be completed if funding is not available.
Provision for an "Independent Citizens' Oversight Committee"	Yes	Potential Issue: # 2	1) The Board will formally adopt SDCTA ICOC Best Practices on August 5 2) The Board has yet to formally adopt the make-up of the committee, qualifications, terms, etc. Has stated it will do so at a future date**
Limited Use of District's "Education" Funds	Yes	Yes	1) Submitted statement of understanding and pledged compliance with SDCTA criteria
Joint Use of Facilities	Yes	Potential Issue: #2	1) Learning centers on campuses will be open in evenings for adults 2) Joint use agreements have not been formalized within the current MP**
Opposition to Special Elections			
Follow-Up Bond Requirement	Yes	Yes	1) Detailed analysis of 1996 bond submitted as well as minutes of Oversight Committee. All projects promised to voters were completed within budget. No projects from current measure will be used to backfill uncompleted projects.