



# **Albany Unified School District**

## Development Workshop Manual

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7000. Facilities

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**Policy 7000: Concepts And Roles**

**Status:** DRAFT

**Original Adopted Date:** 09/01/1988 | **Last Revised Date:** 02/01/1996

The Governing Board recognizes that one of its major responsibilities is to provide healthful, safe and adequate facilities that enhance the instructional program. The Board shall endeavor to make the provision of adequate school facilities a priority in the district. Because the schools serve as a focal point for the community, the Board shall also strive to ensure that district facilities fit harmoniously and attractively into their neighborhoods and have flexibility of design to meet future educational and community needs.

The Board shall strive to have a school facilities master plan in place and regularly reviewed in light of the district's educational goals. In accordance with this plan, the Board shall:

1. Approve additions or major alterations to existing buildings
2. Determine what new buildings shall be built, when and where, and what equipment shall be purchased for them
3. Determine the method of financing that will be used
4. Select and purchase school sites for future expansion
5. Approve the selection of architects and structural engineers
6. Award contracts for design and construction
7. Name schools and individual buildings
8. Advocate school facility needs to the community

The Superintendent or designee shall:

1. Assess the district's short- and long-term facility needs
  2. Direct the preparation and updating of the facilities master plan
  3. Oversee the preparation of bids and award of contracts
  4. Supervise the implementation of the district's building program in accordance with the master plan, Board policy, and state and local requirements, including collaboration with the architect and contractor on the construction of new facilities and modernization of existing facilities
  5. Represent the district in official governmental interactions related to the building program
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**Policy 7110: Facilities Master Plan**

**Status:** DRAFT

**Original Adopted Date:** 02/01/1996 | **Last Revised Date:** 09/01/2022

The Governing Board recognizes the importance of long-range planning for school facilities in order to address changes in student enrollment, teacher housing needs, and the district's educational program. The Superintendent or designee shall develop, for Board approval, a master plan for district facilities which describes the district's anticipated short- and long-term facilities needs and priorities.

**Plan Development**

The district's facilities master plan shall be based on an assessment of the condition and adequacy of existing facilities, a projection of future enrollments, and alignment of facilities with the district's vision for the instructional program.

To solicit broad input into the planning process, the Superintendent or designee may establish a facilities advisory committee consisting of staff, parents/guardians, and business, local government, and other community representatives. The Superintendent or designee shall ensure that the public is informed of the need for construction and modernization of facilities and of the district's plans for facilities.

At least 45 days prior to completion of any facilities plan that relates to the potential expansion of existing school sites or the necessity to acquire additional school sites, the Superintendent or designee shall notify and provide copies of the plan or any relevant and available information to the planning commission or agency of the city or county with land use jurisdiction within the district. (Government Code 65352.2)

If the city or county commission or agency requests a meeting, the Superintendent or designee shall meet with the commission or agency within 15 days following the notification. Items that the parties may discuss at the meeting include, but are not limited to, methods of coordinating planning with proposed revitalization efforts and recreation and park programs, options for new school sites, methods of maximizing the safety of persons traveling to and from the site, and opportunities for financial assistance. (Government Code 65352.2)

The master plan shall be regularly reviewed and updated as necessary to reflect changes in the educational program, existing facilities, finances, or demographic data.

**Plan Components**

The facilities master plan shall include:

1. A statement of purpose, including district goals, philosophy, and related policies
2. A description of the planning process
3. Demographics of the community, such as economic trends, migration patterns, employment base, residential base, socioeconomic makeup, historical school enrollments, and inventory of physical resources and needs
4. A description of the educational program, such as grade-level organization, class size, staffing patterns, technology plans, special programs and support services, and other educational specifications
5. Analysis of the safety, adequacy, and equity of existing facilities and potential for expansion, including the adequacy of classrooms, school cafeterias and food preparation areas, physical activity areas, playgrounds, parking areas, and other school grounds
6. Site selection criteria and process
7. Development of a capital planning budget and identification of potential funding sources
8. Policy for reviewing and updating the plan

Planning shall ensure that school facilities meet the following minimum standards: (5 CCR 14001)

1. Are aligned with the district's educational goals and objectives

2. Provide for maximum site enrollment at school facilities
3. Are located on a site that meets California Department of Education standards as specified in 5 CCR 14010
4. Are designed for the environmental comfort and work efficiency of the occupants
5. Are designed to require a practical minimum of maintenance
6. Are designed to meet federal, state, and local statutory requirements for structure, fire, and public safety
7. Are designed and engineered with flexibility to accommodate future need

Plans for the design and construction of new school facilities shall also meet the standards described in 5 CCR 14030, the California Green Building Standards Code, Title 24, Part 11 of the California Code of Regulations ("CALGreen"), the Americans with Disabilities Act (ADA) pursuant to 42 USC 12101-12213, and any other requirements applicable to the funding source and type of project.

However, plans for residential housing, which includes any building used or intended to be used by the district as a personal residence by a teacher or employee of the district, is not considered to be a "school building" and does not require approval by the Department of General Services regarding earthquake safety and/or the ADA. (Education Code 17283.5; Government Code 4454.5)

To facilitate the efficient use of public resources when planning for new construction or modernization of school facilities, the district may consider designs that facilitate joint use of the facility with a local governmental agency, public postsecondary institution, or nonprofit organization.

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**Regulation 7111: Evaluating Existing Buildings**

**Status:** DRAFT

**Original Adopted Date:** 02/01/1999 | **Last Revised Date:** 03/01/2016

The Superintendent or designee shall periodically evaluate the adequacy, design, and conditions of existing district facilities to determine whether they meet the needs of the instructional program and provide a healthful and pleasing environment for students and staff. He/she also shall determine whether district facilities fulfill legal requirements for safety and structural soundness, access for the disabled, and energy conservation.

In addition, the Superintendent or designee shall regularly calculate the capacity of existing school buildings to adequately house the district's current students and projected enrollments.

Any identified needs for repair, modernization, or construction shall be incorporated into the district's facilities planning process.

**Structural Safety**

In the event that the Department of General Services or any licensed structural engineer or licensed architect finds and reports to the Governing Board that a district building is unsafe for use, the Superintendent or designee shall immediately obtain an estimate of the cost of repairs or reconstruction necessary to bring the building up to legal standards for structural safety. The Board shall establish a system of priorities for the repair, reconstruction, or replacement of unsafe school buildings. (Education Code 17367)

A relocatable school building or structure shall meet the requirements of Education Code 17280-17317 and 17365-17374 pertaining to structural safety. (Education Code 17291)

**Energy Efficiency**

To the extent that services are available, the Superintendent or designee shall arrange for the energy audit of school buildings to identify the type and amount of work necessary to retrofit buildings and obtain an estimate of projected energy savings. The district may contract with qualified businesses capable of retrofitting these buildings and may borrow funds which do not exceed the amount of energy savings to be accumulated from the improvement of the buildings. (Education Code 17651-17653)

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**Policy 7131: Relations With Local Agencies**

**Status:** DRAFT

**Original Adopted Date:** 02/01/1996 | **Last Revised Date:** 11/01/2001

The Governing Board recognizes the importance of collaborating and communicating with other local agencies in order to provide the best possible school facilities and to allocate facility resources in an effective and efficient manner. The Board and district staff shall consult and coordinate with local agencies as required by law and whenever the expertise and resources of these agencies can assist the district in the planning, design and construction of facilities.

Following notification by a city or county of proposed action to adopt or substantially revise a general plan, the Board may request a meeting with the local planning agency to discuss possible methods of coordinating planning, design and construction of new school facilities and school sites. (Government Code 65352.2)

The Superintendent or designee shall monitor land development proposals within district boundaries and shall ensure that an exchange of accurate information is maintained with city/county planning staff regarding the impact of land development on the district's educational programs and facility needs.

Recognizing that available funds may not suffice to eliminate overcrowding in district schools caused by new development, the Board urges the city/county to adopt in its general plan or other appropriate planning documents, to the extent permitted by law, a provision which ensures that adequate school facilities will be available.

**Notifications to Other Local Agencies**

The Board shall notify the city council or county board of supervisors whenever it finds, based on clear and convincing evidence: (Government Code 65971)

1. That conditions of overcrowding exist in one or more attendance areas within the district which will impair the normal functioning of the educational programs, and the reason for the existence of those conditions
2. That all reasonable methods of mitigating conditions of overcrowding have been evaluated and no feasible method for reducing those conditions exists

The above notice shall specify the mitigation measures considered by the district and shall include a completed application to the Office of Public School Construction for preliminary determination of eligibility for school construction under applicable state law. (Government Code 65971)

The Superintendent or designee shall notify the appropriate city or county planning agency of the adoption of a school facility needs analysis or facilities master plan, the acquisition of a school site, or other action regarding school facilities in accordance with law.

**Policy 7140: Architectural And Engineering Services**

**Status:** DRAFT

**Original Adopted Date:** 10/01/1996 | **Last Revised Date:** 10/01/2019

The Governing Board desires to provide school facilities that support the educational program and meet all applicable safety and design standards. When required by law, the Board shall employ or contract with a licensed and certified architect and/or structural engineer to design and supervise the construction of district schools and other facilities.

The architect and/or structural engineer shall be responsible for preparing all construction plans, specifications, and estimates and for the observation of the work of construction. (Education Code 17302)

To ensure compliance with state design and safety standards, preliminary and final plans for any state-funded school facility project, including Board-approved educational specifications for school design when necessary, shall be submitted to the California Department of Education and the Department of General Services, Division of the State Architect. (Education Code 17267; 5 CCR 14030-14032)

The Superintendent or designee shall devise a competitive process for the selection of architects, structural engineers, and other design professionals that is based on demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. For each project, the Superintendent or designee shall recommend architectural and engineering firms to the Board for approval. The Board shall pay fair and reasonable amounts warranted by the provider's qualifications and competence. The Board need not select the lowest responsible bidder.

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**Regulation 7140: Architectural And Engineering Services**

**Status:** DRAFT

**Original Adopted Date:** 02/01/1996 | **Last Revised Date:** 09/01/2023

Contractors for any private architectural, landscape architectural, engineering, environmental, land surveying or construction project management services shall be selected, at fair and reasonable prices, on the basis of demonstrated competence and professional qualifications necessary for the satisfactory performance of the services required. (Government Code 4526)

The Superintendent or designee shall ensure that the selection process for projects receiving state funding: (Government Code 4526)

1. Assures maximum participation by small business firms as defined pursuant to Government Code 14837
2. Prohibits practices which might result in unlawful activity such as rebates, kickbacks, or other unlawful consideration
3. Prohibits district employees from participating in the selection process when they have a relationship with a person or business entity seeking a contract which would subject the employee to the prohibition of Government Code 87100

The selection process may also include: (Government Code 4527)

1. Evaluation of current statements of qualifications and performance data on file with the district and evaluation of statements that may be submitted by other firms regarding the proposed project
2. Discussion with at least three firms regarding anticipated concepts and the relative utility of alternative approaches for furnishing the required services
3. Selection, in order of preference, of at least three firms deemed to be the most highly qualified to provide the required services in accordance with established district criteria

The district shall negotiate a contract with the best qualified firm at compensation determined by the district to be fair and reasonable. If the district is unable to negotiate a contract with the most qualified firm, the district shall negotiate a contract with the second most qualified firm and, if unsuccessful, with the third most qualified firm. If the district is unable to negotiate a satisfactory contract with any of the selected firms, the district shall select additional firms in order of their competence and qualification and continue negotiations until an agreement is reached. (Government Code 4528)

The above procedures shall not apply if the Superintendent or designee determines that the services needed are more of a technical nature and involve little professional judgment and that requiring bids would be in the public interest. (Government Code 4529)

Contracts shall specify that all plans, including, but not limited to, record drawings, specifications, and estimates prepared by the architect or structural engineer shall become the property of the district for the purpose of repair, maintenance, renovation, modernization, or other purposes, but only as they relate to the project for which the architect or structural engineer was retained. The contract shall also specify terms and conditions for reuse within the district of any plans prepared by the architect or structural engineer. (Education Code 17316)

A design-build contract may be awarded to a single entity for both design and construction of any school facility if the contract is in excess of \$1,000,000, or an alternative design-build contract may be awarded if the contract is in excess of \$5,000,000, as specified in Administrative Regulation 3311.3 - Design-Build Contracts. (Education Code 17250.20, 17250.62)

**Policy 7150: Site Selection And Development**

**Status:** DRAFT

**Original Adopted Date:** 02/01/1999 | **Last Revised Date:** 09/01/2022

The Governing Board believes that a school site should serve the district's educational needs in accordance with the district's master plan, as well as show potential for contributing to other community needs.

The Board recognizes the importance of community input in the site selection process. To this end, the Board will solicit community input whenever a school site is to be selected and shall provide public notice and hold public hearings in accordance with law.

The Superintendent or designee shall establish a site selection process which complies with law and ensures that the best possible sites are acquired and developed in a cost-effective manner.

Before acquiring property for a new school or an addition to an existing school site, the Board, at a public hearing, shall either evaluate the property using state site selection standards specified in 5 CCR 14010 or, if a district advisory committee was appointed to evaluate the property, receive the committee's report of findings based on those standards. (Education Code 17211, 17251)

**Environmental Impact Investigation for the Site Selection Process**

The Superintendent or designee shall determine whether any proposed development project is subject to the requirements of the California Environmental Quality Act (CEQA) and shall ensure compliance with this Act, including any web site posting requirements. When evaluating district projects, the CEQA guidelines shall be used.

Environmental review documents, including a draft environmental impact report, environmental impact report, negative declaration or mitigated negative declaration, and public notice of the preparation and availability of such documents, shall be posted on the district's web site. (Public Resources Code 21082.1, 21092, 21092.2)

**Agricultural Land**

If the proposed site is in an area designated in a city, county, or city and county general plan for agricultural use and zoned for agricultural production, the Board shall determine all of the following: (Education Code 17215.5)

1. That the district has notified and consulted with the city, county, or city and county within which the prospective site is to be located
  2. That the Board has evaluated the final site selection based on all factors affecting the public interest and not limited to selection on the basis of the cost of the land
  3. That the district shall attempt to minimize any public health and safety issues resulting from the neighboring agricultural uses that may affect students and employees at the site
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**Regulation 7150: Site Selection And Development**

**Status:** DRAFT

**Original Adopted Date:** 11/01/2000 | **Last Revised Date:** 09/01/2022

As part of the district's site selection process, the Superintendent or designee shall:

1. Meet with appropriate local government recreation and park authorities to review all possible methods of coordinating the planning, design, and construction of new school facilities and school sites or major additions to existing school facilities and recreation and park facilities in the community. (Education Code 35275)
2. Notify the appropriate local planning agency in writing and request its report and recommendations regarding the proposed site or proposed addition's conformity with the adopted general plan. (Government Code 65402; Public Resources Code 21151.2)
3. Have the site investigated by competent personnel with regard to population trends, transportation, water supply, waste disposal facilities, utilities, traffic hazards, surface drainage conditions, and other factors affecting initial and operating costs. This investigation shall include geological and soil engineering studies to preclude locating the school on terrain that has the potential for earthquake or other geologic hazard damage as specified in Government Code 65302. (Education Code 17212-17212.5)
4. Make a written request for information necessary or useful to assess and determine the safety of a proposed school site, or an addition to an existing school site, from a person, corporation, public utility, locally publicly owned utility, or governmental agency regarding pipelines, electric transmission and distribution lines, railroads, and storage tanks in accordance with law. (Education Code 17212.2, 17251)
5. Ensure that the site meets state standards for school site selection as specified in 5 CCR 14010-14012.
6. Ensure compliance with the California Environmental Quality Act (CEQA) as required by law, including posting required notices to the district web site. (Public Resources Code 21000-21177)
7. Notify the California Department of Education in writing before acquiring title or leasing the site if the proposed site is within two miles of the air line of an airport runway or proposed runway. (Education Code 17215)
8. Conduct an air quality analysis pursuant to Health and Safety Code 44360 and Education Code 17213 if the proposed site is within 500 feet of the edge of the closest traffic lane of a freeway or other busy traffic corridor and determine that the air quality at the proposed site is such that neither short-term nor long-term exposure poses significant health risks to students. (Education Code 17213)

In the selection and development of projects funded pursuant to the School Facilities Program of 1998 (Proposition 1A) as contained in Education Code 17070.10-17077.10, the Superintendent or designee shall:

1. Determine whether the proposed site is free of toxic contamination by ensuring that a Phase I environmental assessment and/or preliminary endangerment assessment is conducted as required by law (Education Code 17213.1)

The Superintendent or designee shall ensure that the preliminary endangerment assessment is made available for public review and comment in accordance with Education Code 17213.1.

2. Submit an annual summary report of expenditures to the State Allocation Board in accordance with law (Education Code 17076.10)
3. Include in the plans a hard-wired connection to a public switched telephone network or utilization of wireless technology (Education Code 17077.10)
4. Establish a participation goal of at least three percent, per year, of the overall dollar amount expended each year by the district for disabled veteran business enterprises (Education Code 17076.11)

**Policy 7210: Facilities Financing**

**Status:** DRAFT

**Original Adopted Date:** 02/01/1997 | **Last Revised Date:** 03/01/2021

The Governing Board recognizes its responsibility to identify the most cost-efficient and effective method of financing when purchasing or modifying district facilities. Financing may be necessary when it is determined that school facilities must be built or expanded to accommodate an increased or projected increased enrollment or when safety considerations and educational program improvements require the replacement, reconstruction, or modernization of existing facilities.

The Superintendent or designee shall research funding alternatives and recommend to the Board the method of funding that will best serve district needs as identified in the district's master plan for school facilities.

Funding alternatives may include, but are not be limited to:

1. Levying developer fees pursuant to Education Code 17620 and Government Code 65995-65998
2. Forming a community facilities district pursuant to Government Code 53311-53368.3, the Mello-Roos Community Facilities Act
3. Forming a school facilities improvement district pursuant to Education Code 15300-15425
4. Issuing voter-approved general obligation bonds
5. Imposing a parcel tax pursuant to Government Code 50079
6. Using lease revenues for capital outlay purposes from surplus school property
7. Applying for state facilities funding pursuant to the Leroy F. Greene School Facilities Act (Education Code 17070.10-17079.30)

The district shall provide reports, maintain records, and provide for audits of the expenditure of state facilities funds as required by law and AR 3460 - Financial Reports and Accountability. (Education Code 41024)

As applicable, the district shall comply with BP 3470 - Debt Issuance and Management.

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**Policy 7211: Developer Fees**

**Status:** DRAFT

**Original Adopted Date:** 02/01/1999 | **Last Revised Date:** 06/01/2021

In order to finance the construction or reconstruction of school facilities needed to accommodate increased student enrollment resulting from new development, the Governing Board may establish, levy, and collect developer fees on residential, commercial, and industrial construction within the district, subject to restrictions specified by law.

**Level 1 Fees: Residential, Commercial and Industrial Construction**

Before taking action to establish, increase, or impose Level 1 developer fees, the Board shall conduct a fee justification study which: (Government Code 66001)

1. Identifies the purpose of the fee and the use to which the fee will be put
2. Determines a reasonable relationship between the fee's use and the type of development project for which the fee is imposed
3. Determines a reasonable relationship between the need for the facility and the type of development project for which the fee is imposed
4. Determines a reasonable relationship between the amount of the fee and the cost of the facility or portion of the facility attributed to the development for which the fee is imposed

Before levying developer fees or prior to increasing an existing fee, the Board shall hold a public hearing. The Superintendent or designee shall mail notice of the time and place of the meeting at which a public hearing shall occur, including a general explanation of the matter to be considered and a statement that the required data are available, at least 14 days prior to the meeting to any interested party who has requested such information. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The district may charge a fee reasonably related to the cost of providing these materials. (Government Code 66016)

Information on the anticipated amount of fees, other available funds and funding sources, and the estimated cost of planning, land acquisition, and school construction shall be made available to the public at least 10 days before the hearing. (Government Code 66016)

At the hearing, the Board shall adopt a resolution for the levying of the developer fees. (Government Code 66016)

The resolution shall set forth:

1. The purpose of the fee, the use to which the fee is to be put, and the public improvement(s) that the fee will be used to finance (Government Code 66001, 66006)
2. The Board's findings of reasonable relationship which justify the fees pursuant to Government Code 66001
3. If the district requires payment of the fee at a time earlier than the date of final inspection or the issuance of a certificate of occupancy, the district's determination of either of the following conditions which allow collection of the fees at the time when building permits are issued: (Government Code 66007)
  - a. That the fees are to reimburse the district for previous expenditures
  - b. That the fees shall be collected for public improvements or facilities for which an account has been established, funds have been appropriated, and the district has adopted a proposed construction schedule or plan

In the case of any commercial or industrial development, the Board shall make findings on either an individual project basis or on the basis of categories of commercial or industrial development. Those categories may include, but are not limited to, the following uses: office, retail, transportation, communications and utilities, light industrial, heavy industrial, research and development, and warehouse. The Board shall also conduct a study to determine the impact of the increased number of employees anticipated to result from the commercial or industrial development upon the cost of providing school facilities within the district. (Education Code 17621)

## **Level 2 Fees: Residential Construction**

In order to impose Level 2 residential construction fees within the limits of Government Code 65995.5, the Board shall, in addition to fulfilling the requirements above for Level 1 fees, undertake the following: (Government Code 65995.5)

1. Make a timely application to the State Allocation Board (SAB) for new construction funding and be determined to be eligible by SAB
2. Conduct and adopt a school facility needs analysis pursuant to Government Code 65995.6
3. Satisfy at least two of the requirements set forth in Government Code 65995.5(b)(3)(A-D)

At least 45 days prior to completion of the school facility needs analysis, the Board shall notify and provide copies of the analysis to the planning commission or agency of the city or county with land use jurisdiction within the district. Upon request of either party, the Board and city or county shall meet within 15 days following notification. (Government Code 65352.2)

The Board shall adopt the school facility needs analysis by resolution at a public hearing. (Government Code 65995.6)

This analysis shall not be adopted until the analysis, in its final form, has been made available to the public for a period of not less than 30 days. Prior to its adoption, the public shall have the opportunity to review and comment on the analysis and the Board shall respond to written comments it receives regarding the analysis. (Government Code 65995.6)

Not less than 30 days prior to the hearing, notice of the time and place of the hearing, including the location and procedure for viewing or requesting a copy of the proposed analysis, shall be published in at least one newspaper of general circulation within the jurisdiction of the district. If there is no paper of general circulation, the notice shall be posted in at least three conspicuous places within the district's jurisdiction not less than 30 days prior to the hearing. (Government Code 65995.6)

In addition, the Superintendent or designee shall mail a copy of the needs analysis not less than 30 days prior to the hearing to any person who has made a written request if the written request was made 45 days prior to the hearing. The district may charge a fee reasonably related to the cost of providing these materials. (Government Code 65995.6)

During the period of public review, the analysis shall be provided to the local agency responsible for land use planning for its review and comment. (Government Code 65995.6)

The school facility needs analysis may be revised at any time. The revision is subject to the same conditions and requirements applicable to the adoption of the analysis. The existing school building capacity shall be recalculated as part of any revision to the needs analysis. (Government Code 65995.6)

The fees authorized by Government Code 65995.6 and 65995.7 shall be adopted by resolution as part of the adoption or revision of the school facilities needs analysis. The fees shall take effect immediately upon adoption of the resolution and may not be effective for more than one year. (Government Code 65995.6)

## **Level 3 Fees: Residential Construction**

When Level 3 fees are authorized by law and the district qualifies for Level 2 fees pursuant to Government Code 65995.5, the Board may assess a fee on residential construction pursuant to Government Code 65995.7.

The notice and hearing requirements, resolution requirement, and term of effectiveness for Level 3 fees shall be the same as the requirements for Level 2 fees as specified above. (Government Code 65995.7)

## **Use of Fees**

The Board shall review information provided by the Superintendent or designee pursuant to Government Code 66006 regarding each account or fund into which developer fees have been deposited, at the first regularly

scheduled public Board meeting which occurs 15 days after the information is made available to the public. Fifteen-day prior notice of this meeting shall be mailed to any parties filing a written request pursuant to Government Code 66006. (Government Code 66006)

In addition to discharging its public disclosure duties regarding the levying of developer fees, the Board shall, for the fifth fiscal year after the first deposit into the account or fund and every five years thereafter, make all of the following findings with respect to the portion of the account or fund that remains unexpended, whether committed or uncommitted: (Government Code 66001)

1. Identify the purpose to which the fee is to be put
  2. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged
  3. Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements originally identified
  4. Designate the approximate dates on which the funding referred to in item #3 is expected to be deposited into the appropriate account or fund
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**Policy 7214: General Obligation Bonds**

**Status:** DRAFT

**Original Adopted Date:** 11/01/2012 | **Last Revised Date:** 05/01/2017

The Governing Board recognizes that school facilities are an essential component of the educational program and that the Board has a responsibility to ensure that the district's facilities needs are met in the most cost-effective manner possible. When the Board determines that it is in the best interest of district students, it may order an election on the question of whether bonds shall be issued to pay for school facilities.

The Board's decision to order a bond election, as well as its determinations regarding the appropriate amount, timing, and structure of the bond issuance, shall be consistent with law and the district's debt management policy.

Before ordering a bond election, the Board shall obtain reasonable and informed projections of assessed valuations that take into consideration projections of assessed property valuations made by the county assessor. (Education Code 15100)

When any project to be funded by bonds will require state matching funds for any phase of the project, the ballot for the bond measure shall include a statement as specified in Education Code 15122.5, advising voters that, because the project is subject to approval of state matching funds, passage of the bond measure is not a guarantee that the project will be completed. (Education Code 15122.5)

**Bonds Requiring 55 Percent Approval by Local Voters**

The Board may decide to pursue the authorization and issuance of bonds by approval of 55 percent majority of the voters pursuant to Article 13A, Section 1(b)(3) and Article 16, Section 18(b) of the California Constitution. If two-thirds of the Board agrees to such an election, the Board shall vote to adopt a resolution to incur bonded indebtedness if approved by a 55 percent majority of the voters. (Education Code 15266)

The bond election may only be ordered at a primary or general election, a statewide special election, or a regularly scheduled local election at which all of the electors of the district are entitled to vote. (Education Code 15266)

Bonded indebtedness incurred by the district shall be used only for the following purposes: (California Constitution Article 13A, Section 1(b)(3) and 1(b)(3)(A))

1. The construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities
2. The acquisition or lease of real property for school facilities
3. The refunding of any outstanding debt issuance used for the purposes specified in items #1-2 above

The proposition approved by the voters shall include the following accountability requirements: (California Constitution Article 13A, Section 1(b)(3))

1. Certification that proceeds from the sale of the bonds will be used only for the purposes specified in items #1-2 above, and not for any other purposes including teacher and administrative salaries and other school operating expenses
2. A list of specific school facilities projects to be funded and certification that the Board has evaluated safety, class size reduction, and information technology needs in developing that list
3. A requirement that the Board conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed
4. A requirement that the Board conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the school facilities projects

If a district general obligation bond requiring a 55 percent majority is approved by the voters, the Board shall appoint an independent citizens' oversight committee to inform the public concerning the expenditure of bond revenues as specified in Education Code 15278 and the accompanying administrative regulation. This committee shall be appointed within 60 days of the date that the Board enters the election results in its minutes pursuant to Education



Code 15274. (Education Code 15278)

The Superintendent or designee shall ensure that the annual, independent performance and financial audits required pursuant to items #3-4 above are issued in accordance with the U.S. Comptroller General's Government Auditing Standards and submitted to the citizens' oversight committee at the same time they are submitted to him/her and no later than March 31 of each year. (Education Code 15286)

The Board shall provide the citizens' oversight committee with responses to all findings, recommendations, and concerns addressed in the performance and financial audits within three months of receiving the audits. (Education Code 15280)

The Board may disband the citizens' oversight committee when the committee has completed its review of the final performance and financial audits.

#### **Bonds Requiring 66.67 Percent Approval by Local Voters**

The Board may decide to pursue the authorization and issuance of bonds by approval of 66.67 percent majority of the voters pursuant to Education Code 15100 and Article 13A, Section 1(b)(2) of the California Constitution. If a majority of the Board agrees to such an election, or upon a petition of the majority of the qualified electors residing in the district, the Board shall adopt a resolution ordering an election on the question of whether to incur bonded indebtedness if approved by a 66.67 percent majority of the voters. (Education Code 15100)

The bond election may be ordered to occur on any Tuesday, except a Tuesday that is a state holiday or the day before or after a state holiday, is within 45 days before or after a statewide election unless conducted at the same time as the statewide election, or is an established election date pursuant to Elections Code 1000 or 1500. (Education Code 15101)

Subject to limits specified in Article 13A, Section 1 of the California Constitution, bonds shall be sold to raise money for any of the following purposes: (Education Code 15100)

1. Purchasing school lots
2. Building or purchasing school buildings
3. Making alterations or additions to school building(s) other than as may be necessary for current maintenance, operation, or repairs
4. Repairing, restoring, or rebuilding any school building damaged, injured, or destroyed by fire or other public calamity
5. Supplying school buildings and grounds with furniture, equipment, or necessary apparatus of a permanent nature
6. Permanently improving school grounds
7. Refunding any outstanding valid indebtedness of the district, evidenced by bonds or state school building aid loans
8. Carrying out sewer or drain projects or purposes authorized in Education Code 17577
9. Purchasing school buses with a useful life of at least 20 years
10. Demolishing or razing any school building with the intent to replace it with another school building, whether in the same location or in any other location

Except for refunding any outstanding indebtedness, any of the purposes listed above may be united and voted upon as a single proposition by an order of the Board entered into the minutes. (Education Code 15100)

The Board may appoint a citizens' oversight committee to review and report to the Board and the public as to whether the expenditure of bond revenues complies with the intended purposes of the bond.

## **Certificate of Results**

If the certificate of election results received by the Board shows that the appropriate majority of the voters is in favor of issuing the bonds, the Board shall record that fact in its minutes. The Board shall then certify to the County Board of Supervisors all proceedings it had in connection with the election results. (Education Code 15124, 15274)

## **Resolutions Regarding Sale of Bonds**

Following passage of the bond measure by the appropriate majority of voters, the Board shall pass a resolution directing the issuance and sale of bonds. In accordance with law, the resolution shall prescribe the total amount of bonds to be sold and may also prescribe the maximum acceptable interest rate, not to exceed eight percent, and the time(s) when the whole or any part of the principal of the bonds shall be payable. (Education Code 15140; Government Code 53508.6)

In passing the resolution, the Board shall consider each available funding instrument, including, but not limited to, the costs associated with each and their relative suitability for the project to be financed.

Prior to the sale of bonds, the Board shall place an agenda item at a public meeting and adopt as part of the bond issuance resolution, or in a separate resolution, disclosures of the available funding instruments, the costs and sustainability of each, and all of the following information: (Education Code 15146; Government Code 53508.9)

1. Express approval of the method of sale (i.e., competitive, negotiated, or hybrid)
2. Statement of the reasons for the method of sale selected
3. Disclosure of the identity of the bond counsel, and the identities of the bond underwriter and the financial adviser if either or both are utilized for the sale, unless these individuals have not been selected at the time the resolution is adopted, in which case the Board shall disclose their identities at the public meeting occurring after they have been selected
4. Estimates of the costs associated with the bond issuance, including, but not limited to, bond counsel and financial advisor fees, printing costs, rating agency fees, underwriting fees, and other miscellaneous costs and expenses of issuing the bonds

When the sale involves bonds that allow for the compounding of interest, such as a capital appreciation bond (CAB), the resolution to be adopted by the Board shall include items #1-4 above as well as the financing term and time of maturity, repayment ratio, and the estimated change in the assessed value of taxable property within the district over the term of the bonds. The resolution shall be publicly noticed on at least two consecutive meeting agendas, first as an information item and second as an action item. The agendas shall identify that bonds that allow for the compounding of interest are proposed. (Education Code 15146)

Prior to adopting a resolution for the sale of bonds that allow for the compounding of interest, the Board shall be presented with the following: (Education Code 15146)

1. An analysis containing the total overall cost of the bonds that allow for the compounding of interest
2. A comparison to the overall cost of current interest bonds
3. The reason bonds that allow for the compounding of interest are being recommended
4. A copy of the disclosure made by the underwriter in compliance with Rule G-17 adopted by the federal Municipal Securities Rulemaking Board

At least 30 days prior to the sale of any debt issue, the Superintendent or designee shall submit a report of the proposed issuance to the California Debt and Investment Advisory Commission (CDIAC). (Government Code 8855)

After the sale, the Board shall be presented with the actual issuance cost information and shall disclose that information at the Board's next scheduled meeting. The Board shall ensure that an itemized summary of the costs of the bond sale and all necessary information and reports regarding the sale are submitted to the CDAIC. (Education Code 15146; Government Code 53509.5)

## **Bond Anticipation Notes**

Whenever the Board determines that it is in the best interest of the district, it may, by resolution, issue a bond anticipation note, on a negotiated or competitive-bid basis, to raise funds that shall be used only for a purpose authorized by a bond that has been approved by the voters of the district in accordance with law. (Education Code 15150)

Payment of principal and interest on any bond anticipation note shall be made at note maturity, not to exceed five years, from the proceeds derived from the sale of the bond in anticipation of which that note was originally issued or from any other source lawfully available for that purpose, including state grants. Interest payments may also be made from such sources. However, interest payments may be made periodically and prior to note maturity from an increased property tax if the following conditions are met: (Education Code 15150)

1. A resolution of the Board authorizes the property tax for that purpose.
2. The principal amount of the bond anticipation note does not exceed the remaining principal amount of the authorized but unissued bonds.

A bond anticipation note may be issued only if the tax rate levied to pay interest on the note would not cause the district to exceed the tax rate limitation set forth in Education Code 15268 or 15270, as applicable.

## **Deposit of Bond Proceeds**

With regard to general obligation bonds, the district shall invest new money bond proceeds in the county treasury pool as required by law. (Education Code 15146)

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**Regulation 7214: General Obligation Bonds**

**Status:** DRAFT

**Original Adopted Date:** 03/01/2012 | **Last Revised Date:** 12/01/2013

**Election Notice**

Whenever the Governing Board orders an election on the question of whether general obligation bonds shall be issued to pay for school facilities, the Superintendent or designee shall ensure that election notice and ballot requirements comply with Education Code 15120-15126 and 15272, as applicable.

**Citizens' Oversight Committee**

If a bond is approved under the 55 percent majority threshold pursuant to Proposition 39 (Article 13A, Section 1(b)(3) and Article 16, Section 18(b) of the California Constitution), then the district's citizens' oversight committee shall consist of at least seven members, including, but not limited to: (Education Code 15282)

1. One member active in a business organization representing the business community located within the district
2. One member active in a senior citizens organization
3. One member active in a bona fide taxpayers' organization
4. One member who is a parent/guardian of a district student
5. One member who is a parent/guardian of a district student and is active in a parent-teacher organization, such as the Parent Teacher Association or school site council

Members of the citizens' oversight committee shall be subject to the conflict of interest prohibitions regarding incompatibility of office pursuant to Government Code 1125-1129 and financial interest in contracts pursuant to Government Code 1090-1099. (Education Code 15282)

No employee, Board member, vendor, contractor, or consultant of the district shall be appointed to the citizens' oversight committee. (Education Code 15282)

Members of the citizens' oversight committee may serve for no more than three consecutive terms of two years each. They shall serve without compensation. (Education Code 15282)

The purpose of the citizens' oversight committee shall be to inform the public concerning the expenditure of bond revenues. The committee shall actively review and report on the proper expenditure of taxpayers' money for school construction and shall convene to provide oversight for, but not limited to, the following: (Education Code 15278)

1. Ensuring that bond revenues are expended only for the purposes described in Article 13A, Section 1(b)(3) of the California Constitution including the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities
2. Ensuring that, as prohibited by Article 13A, Section 1(b)(3)(A) of the California Constitution, no funds are used for any teacher and administrative salaries or other school operating expenses

In furtherance of its purpose, the committee may engage in any of the following activities: (Education Code 15278)

1. Receiving and reviewing copies of the annual, independent performance and financial audits required by Article 13A, Section 1(b)(3)(C) and (D) of the California Constitution
2. Inspecting school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements of Article 13(A), Section 1(b)(3) of the California Constitution
3. Receiving and reviewing copies of any deferred maintenance proposals or plans developed by the district
4. Reviewing efforts by the district to maximize bond revenues by implementing cost-saving measures, including, but not limited to, the following:

- a. Mechanisms designed to reduce the costs of professional fees
- b. Mechanisms designed to reduce the costs of site preparation
- c. Recommendations regarding the joint use of core facilities
- d. Mechanisms designed to reduce costs by incorporating efficiencies in school site design
- e. Recommendations regarding the use of cost-effective and efficient reusable facility plans

The district shall, without expending bond funds, provide the citizens' oversight committee with any necessary technical assistance and shall provide administrative assistance in furtherance of the committee's purpose and sufficient resources to publicize the committee's conclusions. (Education Code 15280)

All citizens' oversight committee proceedings shall be open to the public and noticed in the same manner as proceedings of the Board. Committee meetings shall be subject to the provisions of the Ralph M. Brown Act. (Education Code 15280; Government Code 54952)

The citizens' oversight committee shall issue regular reports, at least once a year, on the results of its activities. Minutes of the proceedings and all documents received and reports issued shall be a matter of public record and shall be made available on the district's web site. (Education Code 15280)

#### **Reports**

Within 30 days after the end of each fiscal year, the district shall submit to the County Superintendent of Schools a report concerning any bond election(s) containing the following information: (Education Code 15111)

1. The total amount of the bond issue, bonded indebtedness, or other indebtedness involved
  2. The percentage of registered electors who voted at the election
  3. The results of the election, with the percentage of votes cast for and against the proposition
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