

**ALBANY UNIFIED SCHOOL DISTRICT
BOARD AGENDA BACKUP**

Regular Meeting of May 28, 2024

**ITEM: BOND PROGRAM UPDATE AND POSSIBLE ADDITIONAL
 FUNDING SOURCE**

PREPARED BY: JACKIE KIM, CHIEF BUSINESS OFFICIAL

TYPE OF ITEM: REVIEW AND DISCUSSION

PURPOSE: The purpose of this item is for the Board of Trustees to receive a bond program update and discuss the possible additional funding source.

BACKGROUND INFORMATION: AUSD’s Facilities Master Plan, which was created in 2013 and adopted by the Board in 2014, identified many facilities needs. When Bond Measures B and E were passed in June 2016, there were far more needs than what the \$95 million raised by those two bonds could address. A process of prioritization honed the list to the four projects that were deemed the most urgent, either because of student crowding issues or the likelihood of structures being able to withstand a major earthquake. Those projects were, in order of completion, the AMS Annex, the AHS Courtyard Addition, Ocean View Elementary, and Marin Elementary. All of those projects were completed within their stringent budgets, and at far lower costs than many Bay Area districts have recently paid. This was partly due to contracts that locked in prices before the steep escalation in construction costs that began around the pandemic and has continued to drive costs upwards.

The new Facilities Assessment was presented at the May 14, 2024 Board Meeting. It is clear from this recent assessment that numerous major and minor facilities projects exist. Some projects were first identified in the Master Plan (now 10 years old). Other issues have arisen as all facilities have aged. The only monies that the District has available to use for capital projects (major repairs, renovations, and rebuilding) are bond funds and State Facilities Grant Funding.

For all of these reasons, at the May 28 meeting, the Board will be asked to discuss the option of placing a general obligation bond measure on the November 2024 ballot. The new measure could:

- Focus on major projects identified in the 2023/24 Facilities Assessment, including but not limited to Albany High School (including the Little Theater/Arts Building), Cornell Elementary, Albany Children’s Center, and Albany Aquatic Center.

- It would not increase residents' current obligation of \$180/\$100,000 of assessed property value, but it would extend the years of that obligation.

We will gather community input on prioritization of projects described in the 2023/24 Facilities Assessment through a survey. A survey would allow us to better understand what Albany Unified families would prioritize as top needs. Conducting a survey does not commit the District to any particular path, but would generate valuable information.

DETAILS: After Bond Measures B&E passed, the Board of Education established a tax rate limit of \$250 per \$100,000 of assessed property value. However, the combined bond program tax rates that have been in place have been at a lower rate of \$180 per \$100,000 in assessed value. This has been possible due to higher than projected assessed valuation growth, lower than expected borrowing rates, and prudent bond structure and repayment terms.

Because the bonds from the 2004 Measure A and 2008 Measure E bonds will be completely repaid in the near future, the District has a unique opportunity to go out for a bond authorization that would raise approximately \$55 million while staying at a combined bond program tax rate target of \$180 per \$100,000 in assessed value. This new bond measure will require an approval of 55% of voters under the requirement of Proposition 39.

The November 2024 election date is a good prospect for the District from a number of perspectives:

- (1) Proposition 39 bond measures must be approved at a regularly scheduled election. The general election in a presidential election year has the highest turnout, where there is generally higher support for bond measures. After November 2024, the next opportunity would be in June 2026, which is typically the lowest turnout election.
- (2) Since bond program tax rates are established a year in advance, a bond approval in 2024 would allow the District sufficient time to coordinate with the County. The District has a relatively narrow window to be able to use this "tax rate extension" model of the \$180/\$100,000 assessed value rate.
- (3) By moving forward with a bond authorization in 2024, the District will be able to make facilities improvements sooner to avoid further cost escalation and to provide improved facilities to Albany students in the next few years, rather than waiting for future opportunities.

STRATEGIC OBJECTIVES ADDRESSED:



Objective #1: *Assess and Increase Academic Success. Goal: We will provide a comprehensive educational experience with expanded opportunities for engagement, assessment, and academic growth so that all students will achieve their fullest potential.*



Objective #2: *Support the Whole Child.* **Goal:** *We will foster the social and emotional growth of all students, implement an array of strategies to increase student engagement, identify individual socio-emotional and behavioral needs, and apply collaborative appropriate interventions.*



Objective #3: *Communicate and Lead Together.* **Goal:** *All stakeholders will collaborate and communicate about decisions that guide the sites and district.*

RECOMMENDATION: Receive a bond program update and discuss the possible additional funding source