

tramutola | advisors

“With over 500 successful local elections, including 269 tax elections, producing over \$30 billion in new revenue for local school districts and other public agencies.”

Presentation

**Sacramento City Unified School District
Governing Board
June 21, 2012**

Bond Measure Vs. Parcel Tax Measures

Proposition 39 Bond Measures	Parcel Tax Measures
55% Approval	66.7% Approval
Limited to funding FACILITIES, equipment and technology	Funding for ANY USE, including programs, personnel and operations
District gets money up front and taxpayers pay off debt over time	District gets money year to year as taxpayers pay
Tax based on assessed value of property	By law, cannot be based on the value of property – typically a flat rate per parcel
Legal Tax rate: \$30 (ESD or HSD), \$60 (USD), or \$25 (CCD) per \$100,000 of assessed value	No cap on tax other than political limitations
Mandatory Citizens' Oversight Committee	Optional Citizens' Oversight Committee
No exemptions available	Senior Exemptions available
Regularly scheduled ballot	May be on a special election ballot

Parcel Tax Poll Results - Priorities

KEY FEATURES— Fall 2011:

Feature	Support Much More	Somewhat More	TOTAL Support
Top 6 Features RE educational program (parcel tax)			
Keep school libraries open	75%	16%	91%
Provide advanced academic programs in math, science and technology	68%	21%	89%
Keep textbooks/instructional materials up-to-date.	67%	21%	88%
Continue funding art and music programs.	65%	23%	88%
Attract & retain the most qualified teachers and support staff	67%	20%	87%
Maintain manageable class sizes	62%	25%	87%
Provide advanced educational programs that help our students get into the best colleges	61%	26%	87%

Bond Poll Results - Priorities

KEY FEATURES—Fall 2011:

Feature	Support Much More	Somewhat More	TOTAL Support
Top 5 Features RE facilities (School Bond)			
Upgrade aging science labs and equipment	61%	28%	89%
Provide facilities and equipment for career technical education classes so students can compete for high demand jobs.	60%	28%	88%
Repair or replace old worn out roofs, floors, walkways, lighting and electrical systems.	56%	32%	88%
Upgrade classrooms and computer systems to keep pace with technology.	56%	30%	86%
Improve student safety and security systems, including security lighting, fencing, smoke detectors, fire alarms and sprinklers.	54%	30%	84%
Improve heating, ventilation, insulation, doors and windows to increase energy efficiency and save money.	52%	33%	85%

Poll Results – Bond and Parcel Tax

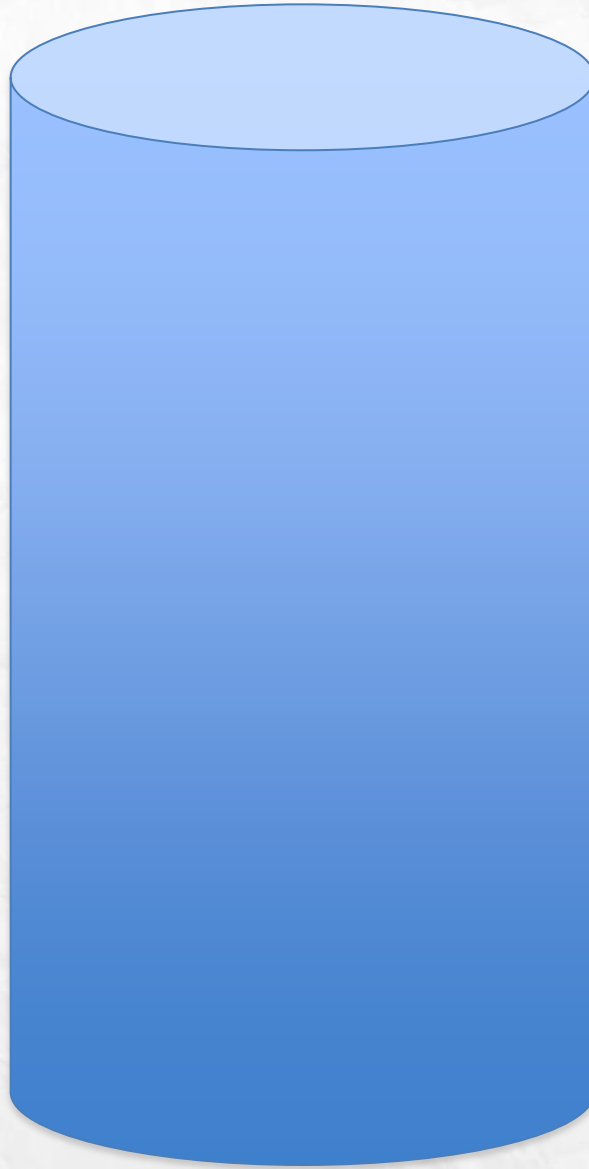
Fall 2011

		Trustee Area							
		1	2	3	4	5	6	7	Overall
Parcel Tax	Support Level	78%	76%	57%	63%	65%	72%	75%	71%
Bond	Support Level	80%	65%	62%	84%	71%	62%	78%	71%

Parcel Tax Short-Term Challenges

- Requires 2/3's Support
- Fundraising is Challenging
- Confusion and Competition With Statewide Tax Measures

\$2.1 Billion in District Improvements



Considerations

- Legal Limits of What We Can Ask Voters to Support
- Political Considerations - What Voters Are Willing to Pay
- Ability to Leverage Other Funds

**\$44 Tax Rate Per \$100,000
of Assessed Valuation
= +/- \$335Million**

Guiding Principles

- Benefit the most students
- Have a transformational impact
- Yield savings from decreased energy and water usage and provide savings
- Would not have to be redone in future years
- Would qualify for State matching funds
- Could be completed on time and hopefully under budget to improve our ability to pass future measure (bond/parcel tax)

Option 1A \$336M (Educational Facilities Bond)



- Core academic improvements at the high schools and selected middle schools.
- Fire Safety improvements at all schools throughout district.
- Renewable energy and water conservation systems at large facilities to reduce energy and water costs.
- Maintenance fund for ongoing maintenance and operations.
- Technology improvements at all schools.

Option 1B \$68M (Health & Safety Bond)

To address needs that have been identified at each school we are recommending this companion measure.

This companion bond would cover the following:

- Repair of playgrounds and playfields to meet modern safety standards.
- Improve Physical educational facilities and bathrooms.
- Upgrade kitchen facilities to improve nutrition and nutrition education.

Advantages

- Addresses about \$400M of needs
- Addresses all schools in all areas of the District
- Builds upon the District's strategic and master plan goals
- Has significant money set aside for ongoing maintenance
- Possible state matching funds
- Addresses voter priorities
- Provides flexibility for the future
- Provides relief to general fund
- Every child in the district would benefit
- Second bond would not negatively affect the primary bond

Disadvantages

- Cumulative tax rate is at upper limit
- 10-year program

Option 2: Schools Renovate and Repair Bond (approximately \$300+million)

Rather than working on projects that have a transformational impact, money would be spent on projects throughout the district, based on current need.

These projects would include:

- Code and life safety improvements throughout the district
- Repair, renovate and replace worn out roofs, floors, walkways, lighting and electrical

Advantages

- Every school potentially gets something
- Will address the most pressing needs of each school
- Possible state matching funds
- Basically what the District did last time

Disadvantages

- Ignores the District strategic and master plan goals
- Does not address significant transformational issues
- Great likelihood that projects will need to be re-done in future years
- Does not address potential school closures
- At best some work would take 10 years for some schools to see any results
- Little bang for the buck
- Future support for an additional bond questionable
- No ongoing maintenance fund
- Basically what the District did last time

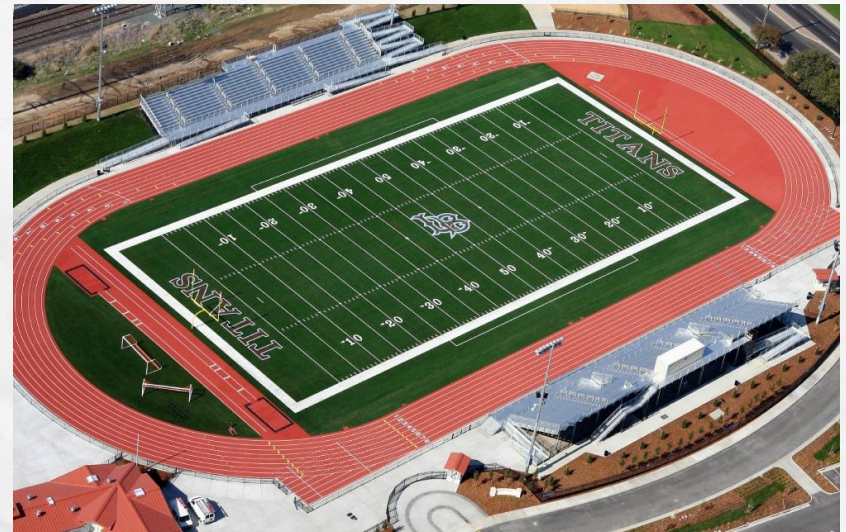
Option 3A: Hybrid Transformational Projects Selected in each District Area (\$330M)

(Group of schools to be determined or modified)

Examples of what could be included

- District 1 McClatchy HS
- District 2 Kit Carson 7-12
- District 3 Einstein MS
- District 4 West Campus HS
- District 5 Luther Burbank HS
- District 6 Kennedy HS
- District 7 Leonardo Da Vinci K 8

- Ongoing Maintenance and Operations Fund
- Technology Improvements at all Schools



Option 3B (approximately \$60+Million)

This companion bond would cover the following:

- Renewable energy and water conservation systems at large facilities to reduce energy and water costs
- Fire safety issues at all schools
- Kitchen facilities

Advantages

- Addresses about \$400M of needs
- Builds upon the Districts strategic and master plan goals
- Has significant money set aside for ongoing maintenance
- Possible state matching funds
- Provides some relief to general fund
- Major improvements at targeted schools

Disadvantages

- There are winners and losers throughout the district
- Some children will go through the system without receiving any benefits
- Decision as to what schools more political
- Not necessarily in alignment with poll results
- Harder to pass
- Supplemental bond could compete with primary bond

\$2.1 Billion in District Improvements

