



High School District
COMMITTED TO EXCELLENCE
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• SUPERINTENDENT

RALF SWENSON

July 26, 2013

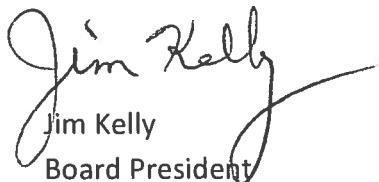
Honorable Robert J. Trentacosta
San Diego County Grand Jury
Hall of Justice
330 West Broadway, Suite 477
San Diego, CA 92101-3830

RE: California Penal Code Section 933.05(a), (b), (c) Required Response to Grand Jury Report Dated May 21, 2013: "Grossmont Union High School District – Fool Us Once, Fool Us Twice?"

Honorable Robert J. Trentacosta and Members of the San Diego County Grand Jury:

The Grossmont Union High School District Governing Board herewith provides our Governing Board response pursuant to Section 933.5 of the California Penal Code. This response is hereby filed with the Clerk of the Court, and has been released to the public on the above date.

Sincerely,



Jim Kelly
Board President

Grossmont Union High School District

enc.

GROSSMONT UNION HIGH SCHOOL DISTRICT

JULY 25, 2013

PROTECTING QUALITY EDUCATION FOR ALL STUDENTS:

**A COMMON SENSE APPROACH
TO CONSTRUCTING A NEW SCHOOL**

**GROSSMONT UNION HIGH SCHOOL DISTRICT
GOVERNING BOARD RESPONSE
TO THE GRAND JURY REPORT
DATED MAY 21, 2013**

**INCLUDING WRITTEN RESPONSES AS REQUIRED FOR
RECOMMENDATIONS 13-76, 13-77 AND 13-78**

GROSSMONT UNION HIGH SCHOOL DISTRICT BOARD OF TRUSTEES

RESPONSE TO THE SAN DIEGO COUNTY GRAND JURY REPORT DATED MAY 21, 2013

INTRODUCTION

The Governing Board of the Grossmont Union High School District appreciates this opportunity to respond to the San Diego County Grand Jury Report Dated May 21, 2013. We are gratified that the Grand Jury found no evidence of wrongdoing, unethical or illegal behavior. We also appreciate that most of your findings affirm our efforts to build a 12th high school in the Alpine community.

After careful analysis, we have concluded that some of the Facts as listed are inaccurate or incomplete, resulting in some erroneous Recommendations. Therefore, we are submitting some additional facts that will bring significant clarity to your Findings and Recommendations. This document will also provide additional information to the general public in regard to the funding and timing of the construction of a 12th high school in Alpine. You will find our specific responses to the Findings and Recommendations toward the end of this response.

FACTS AND FINDINGS OF THE GROSSMONT UNION HIGH SCHOOL DISTRICT BOARD OF TRUSTEES

DISTRICTWIDE DECLINING ENROLLMENT

Districtwide enrollment has declined by over 2,000 students (see Attachment A) over the past four school years, a decrease in enrollment equivalent to one complete high school. In effect, some people are advocating that we increase our number of school sites at the very time we are seeing a reduction in the utilization of our existing school facilities. The impact of declining enrollment has been significant across all of San Diego's East County. Enrollment at all but three elementary districts has continued to decline since the 2002-03 school year (even earlier in some districts). K-8 enrollment in East County districts in 2012-2013 was approximately 13% less than in the 2002-03 school year (see Attachments B1 – B7). Four of the feeder elementary districts have closed schools - Santee, Cajon Valley, Lemon Grove, and La Mesa Spring Valley. The impact of prolonged enrollment declines in the elementary districts will continue to be felt in the Grossmont Union High School District for many years.

ONGOING PROJECTED DECLINING ENROLLMENT

Among the various enrollment projection studies (from 3rd party firms) prepared for East County districts, there is agreement that declining enrollment will continue for the next several

years with a possible inflection point somewhere around 2017-2018. However, the growth projected past this point is likely to be relatively small, and the timeline for reaching the enrollment levels equal to 2002-2003 (the year in which the overall decline in enrollment began) is well beyond the time frame of long-term projections. As a high school district, GUHSD is able to develop enrollment projections based upon the seven (7) elementary feeder districts whose students matriculate to our high schools when they reach grade nine (9) (See attachment C indicating enrollment projections for GUHSD over the next several years). We believe that the SANDAG projections of 2007 (Please see attachment D) concerning school age growth is outdated and invalid as a result of the changing economic conditions subsequent to the issuance of that report.

DECLINING STUDENT FUNDING IN REAL DOLLARS

Like all school districts in California, our student funding from the state has actually declined in real terms since the 2007/08 school year. Our funding has decreased from \$6689 to \$6021 per pupil, a 10% reduction over that period through the last complete fiscal year, 2012/13 (See Attachment E). Contrasted to what our funding was expected to be (\$7746) if all statutory COLA's (Cost of Living Adjustments) had been applied, this represents a 22% reduction!

PERMANENTLY INCREASING OPERATING COSTS AMIDST DECLINING FUNDING

Due to underfunding of education by the State of California, the GUHSD has been forced to increase class sizes and even been forced to reduce the length of the school year in recent years. Our average class size is now 37 students per teacher, a 9% growth from our baseline of 34 students, last seen in the 2007/08 school year. In addition, we have had to eliminate the Class Size Reduction program for our 9th grade English and Social Science classes. (Please refer to Attachment F for a 6 year history of our class sizes and student instructional days). As you will see, the Governing Board has prioritized the student instructional year, re-establishing the 180 day school year through reductions to other areas of the budget. We applaud the heroic efforts of our teachers who are continually being asked to do more with less.

While our funding has been reduced, our costs continue to rise, thereby squeezing the dollars available for our instructional programs. Two of the largest increases are in the areas of healthcare and utilities costs, over which we have little to no control. These costs have steadily increased, with healthcare leading the way at an average increase of 10-12% per year and electrical utility costs are close behind. A recent notification from SDG&E indicates an upcoming 11% to 18% rate increase (Please see Attachment G). This represents a several hundred thousand dollar increase per year to the district, without any proportional increase in state funding.

Opening an additional high school will increase the estimated districtwide operating costs by an initial \$1.3 million, growing to \$1.9 million per year. Assuming the new school would attract new students to the district not otherwise already attending other district schools; this cost could be partially offset by additional revenue from these new students. If this were to occur, the net cost increase to the district could potentially be slightly less than \$1 million per year (Please Refer to Attachment H). While teachers are assigned where students attend, an additional school site will require additional administrators and custodians, as well as utility and maintenance expenditures before the first teachers or students show up to school. This is an additional permanent commitment of expenses that the GUHSD board wants to make in a thoughtful and deliberative manner. Board authorization in the bond language of both Propositions H and U is insufficient to justify construction in a time of declining enrollment and insufficient funding to cover operating expenses. History has shown that once a high school has been opened, it is virtually never closed (Please see Attachments I-1 and I-2 for articles about school districts in California that could not afford to open newly constructed high schools due to the operating expenses).

DELAYED FUNDING OF BOND PROGRAM DUE TO DECLINING PROPERTY VALUES

At the outset of the planning for Proposition U, the District's financial team expected to issue bonds incrementally over the period 2009 through 2016 based on a reasonable set of assumptions. This would have meant all projects would have been completed by the year 2018.

Since the passage of the bond measure by the voters, several factors have changed and have dramatically lengthened the time period over which the district can legally issue the authorized bonds, thereby delaying construction projects.

A combination of the decline in district property values in the years 2009/10 and 2010/11 (Please refer to page 4 of Attachment J) and pending legislation, AB 182, severely limiting school districts' flexibility in bond issuance (Please refer to page 3 of Attachment J), could delay the program by more than a dozen years, perhaps beyond the year 2030.

STATE WITHHOLDING FUNDS TO WHICH WE ARE ENTITLED

The State of California has also contributed to the delay of the construction program by withholding payment of funds owed the district under the State Facility Matching Fund program. To date, the district is owed \$12.5 million to which it is entitled under this program that has been approved by the State, but not yet paid. (Reference Attachment K, highlighted items for the Grossmont Union HSD).

FIELD OF DREAMS – “BUILD IT AND THEY WILL COME”

There are some special interest advocates of a 12th high school that have repeatedly stated that construction of an additional high school would somehow create additional revenue to the GUHSD that would more than cover the increase in districtwide fixed costs. Even though this has been the primary argument of most of these advocates for several years, there is no mention of it in the Facts, Findings or Recommendations included in the Grand Jury Report.

We are gratified that the Grand Jury did not give any consideration to this argument as evidenced by its exclusion from your Report. There is some evidence that districtwide enrollment would increase with the opening of a new school. However, even with the most optimistic increase in student enrollment, our modeling indicates that additional revenue does not offset the increase in fixed costs associated with operating an additional school (please see Attachment H).

RESTRAINT IN PLANNING THE CONSTRUCTION OF THE 12TH HIGH SCHOOL DURING UNIFICATION EFFORTS IN ALPINE

While the Grossmont Union High School District Board of Trustees remains fully committed to the construction of a 12th high school in Alpine, we believe that it is prudent to avoid incurring additional costs related to its construction until unification efforts in Alpine are resolved. While much of both the Grand Jury and GUHSD analysis of a 12th high school involves “the Alpine/Blossom Valley area,” a future potential Alpine Unified School District will exclude Blossom Valley and other areas considered in this report. Therefore the need for a high school adequate to serve an Alpine Unified School District will have a significantly smaller enrollment than “the Alpine/Blossom area.” Current enrollment in the Alpine Union School District of grades 6 to 8 is only 685 and projected to decline for several years (Please refer to Attachment L, Long Term Enrollment Projections, Alpine Union School District, Exhibit A, pages 1 and 2). Joan MacQueen Middle School (the only middle school serving Alpine students) is projected to decline by over 17% in the next ten years (See Attachment L, Table 7 on page 10).

The ballot measure calls for a high school to serve the Alpine/Blossom Valley areas. This would be a larger area than Alpine, which would be served under unification. Given this difference, we believe it appropriate that we do not impose any additional costs or planning for a new school on a potential future Alpine Unified School Board. In order to allow this potential future board to have the greatest latitude in future decision making, we believe it prudent that we make as few decisions as possible on their behalf.

SPECIFIC RESPONSES TO THE FINDINGS OF THE SAN DIEGO COUNTY GRAND JURY

The above facts and analysis have a significant impact on the Facts, Findings, and Recommendations of the Grand Jury. However, we recognize that the Grossmont Union High School District Board of Trustees is required to provide the Grand Jury with specific responses to its Findings and Recommendations as required by California Penal Code Section 933.05. It is to these Findings and Recommendations that we now turn.

GENERAL OBSERVATIONS REGARDING THE GRAND JURY REPORT

We are gratified that the Grand Jury has made no allegations of unethical or criminal activities by any board member or the staff of the Grossmont Union High School District, thereby limiting itself to providing an oversight report as to lawful decisions and actions taken by the GUHSD Board and staff. Every member of the Grossmont Union High School District Board takes his/her role as representing the public very seriously. We have worked diligently to maintain the highest standards of transparency and financial accountability as evidenced by receiving the Recognition of Achievement for Excellence in Financial Reporting by the Governmental Finance Officers Association for the third year running. Grossmont Union High School District is unique in the State of California having received this award three years in a row, and was the only public school recipient in the entire State in 2011.

ADDITIONAL OBSERVATIONS ON THE REPORT

Before addressing the content of the Grand Jury Report, we provide the following observations and concerns about the language used in the title of the report. Given that the title of the Report is often quoted in legal and media references to the Report, we believe that it should more accurately reflect the content of the Report. Specifically, there are two substantive inaccuracies that misrepresent the actual content:

“Fool us once, fool us twice?” is a misleading title for a legal report by an objective oversight agency such as the San Diego County Grand Jury. The inflammatory nature of the verb “fool” is inaccurate as evidenced by the content of the report itself. The Grand Jury made no allegations of unethical or criminal activities, so the use of the verb “fool” is contrary to their findings. We emphatically object to the use of this term in a summary title for the report, especially since there is no allegation of any board member intending to deceive anyone at any time. We emphatically deny any implication that any GUHSD Board member has misled the public while carrying out our responsibilities.

The subtitle, “The Promised High School in Alpine,” is a phrase frequently used by special interest advocates, but is not reflective of the actual history of actions taken by the Board. At no time has the Grossmont Union High School District “promised” a high school in Alpine. Every board member has repeatedly affirmed the long term need for an additional high school in Alpine and expressed support of its timely construction when financially feasible. Many specific board concerns were addressed earlier in this Response. However, we believe that the choice of the word “promise” has been historically used by special interest advocates in order to imply that board members are somehow “breaking their promises.” This is absolutely not true. Every board member continues to support the construction of a high school in Alpine. However, board members are also responsible to maintain the quality of education for all students throughout the entire district. In good faith, for reasons already summarized, the Board majority has concluded that it would be fiscally irresponsible to build an additional high school at this time. Expediting construction of a new high school in Alpine would, in effect, subsidize the increased costs of educating a relatively small number of students in a new state-of-the-art school by redirecting operational funding away from students attending schools in some of our lower socio-economic neighborhoods housed in 50-year-old facilities.

Our intent is not to take away anyone’s hope. Our intent is to build a new high school in Alpine while equitably serving all students and communities represented in the GUHSD. A new high school has been authorized by bond language and continues to be supported by every member of the GUHSD Board. We have repeatedly acknowledged the long-term need for a new school in Alpine.

The last time this Board took an action to oppose construction of a 12th high school in Alpine was in 2002 when Members Priscilla Schreiber, Dan McGeorge and Gary Cass supported an amendment to remove the 12th high school from the bond language of Proposition T in order to fund performing arts facilities and other listed items within the district. Since 2004, every Board member has consistently affirmed the long-term need for an additional high school to serve the Alpine community. This Board included an authorization to construct a new school in both Propositions H and U. As you have documented, the Grossmont Union High School District has already invested substantial time, energy and resources towards the construction of a 12th high school in Alpine. We believe that a more accurate (and less inflammatory) subtitle for a Grand Jury Report could have been “The Planned High School in Alpine” or “The Authorized High School in Alpine.”

We are concerned that a possible consequence of this report title may be to negatively influence bond rating agencies. These agencies ultimately set the bond rating that we receive when bonds are issued. In effect, the inaccurate, misleading, and needlessly provocative choice

of the name for this report may contribute to an increase in the bond interest rates paid by the district. This ultimately may delay the amount of capital improvement funds available to the Grossmont Union High School District, thereby undermining the interests of the people who initiated this complaint and increasing the overall cost of the bonds to all of our taxpayers.

In summary, we find the use of terms such as “Fool Us Once” or “Promised” in the title of this Report to be needlessly inflammatory, misleading, and inaccurate based on the facts available to the San Diego County Grand Jury. Publishing such an important document with the Grand Jury’s choice of title may further delay the already admittedly limited funds available to construct a high school in Alpine.

GRAND JURY PROCEDURE

Per the Report, “The Grand Jury conducted numerous interviews with the following: Officials and staff from the GUHSD, A member of the San Diego County Board of Supervisors, Concerned citizens.” Due to the confidential nature of the Grand Jury process, we do not know the identity of the concerned citizens that were interviewed. We can only assume that these are many of the same concerned citizens who have frequented our Board meetings in the past. Since Grand Jury procedures prevent us from knowing the identity of these “concerned citizens,” we can find no evidence that a cross-section of citizens from the entire Grossmont district community or the Alpine community was interviewed. We remind the Grand Jury to consider the fact that Grossmont Union High School District Board Members are responsible to represent the best interests of the *entire* Grossmont Union High School District without giving preference to any single community. Based on recent voting results, the Alpine area encompasses only between 4% to 5% of the Grossmont Union High School District.

Given the tenor and findings of the Report, we find it doubtful that the Grand Jury interviewed a significant number of people from Alpine who have consistently opposed any bonds in Alpine or those who live in the GUHSD but do not live in Alpine. Historically, the Alpine community has been the least supportive of building a 12th high school in Alpine of any community in the Grossmont Union High School District. Following is a summary of the results where voters living in the Alpine precincts voted on bond measures with language that included the potential construction of a high school in Alpine (The following data was obtained from San Diego County Registrar of Voters web site located at <http://www.sdcounty.ca.gov>):

Description	Election Date	GUHSD-Wide Support	Alpine Support
Alpine USD Proposition V \$12 million land for a high school	November 5, 2002	N/A	45.4%
Alpine USD Proposition W \$26 million construct high school	November 5, 2002	N/A	44.6%
GUHSD Proposition H	March 2, 2004	62.01%	59.6%
GUHSD Proposition U	November 4, 2008	56.65%	54.8%

We are appreciative of voters in Alpine who have supported Propositions H and U. However, the voters of Alpine did not support Proposition U in sufficient numbers (55%) for it to pass. The only reason there are any discussions today regarding the future construction of the 12th high school is that voters *outside* Alpine supported the bond in sufficient number to *overrule the wishes of Alpine voters* to defeat Proposition U. It is important that the GUHSD Board Members consider the interests of the entire district. A more diligent Grand Jury investigation would have ensured that a cross-section of Districtwide interests was considered when researching Board activities. Construction of a 12th high school is only one of many significant projects overseen by this Board.

Of the five existing Board Members, the two who were not called to testify are Dick Hoy and Rob Shield. To our knowledge, of current and former Board members, only Jim Kelly, Jim Stieringer and Priscilla Schreiber were called to testify before the Grand Jury. Jim Stieringer was elected to serve on the Board in November, 2012, and had only served on the board for a few months when he was called to testify. By his own admission, he is not fully informed about the history of this issue. Mr. Stieringer and Ms. Schreiber have refused to participate in the development of this document.

Neither Dick Hoy nor Robert Shield was called to testify. Robert Shield served as Board President from 2009-2012 and is currently on the Board Bond Subcommittee. Dick Hoy served on the Board Bond Subcommittee from August, 2010 to December, 2012. To our knowledge, no former board members who were involved in the creation or implementation of Propositions H and U were called to testify. Most of them still live in San Diego County. These former board members are Tom Page, Gary Cass, Ron Nehring, Dr. Gary Woods, and Evelyn Wills.

The Grand Jury Report does not disclose whether *any* members of the Citizens' Bond Oversight Committee were interviewed. On June 30, 2010, the CBOC voted unanimously to not support spending bond funds on the 12th High School until the enrollment threshold specifically written

into Proposition U is met. This unanimous declaration was presented to the GUHSD Board during the CBOC Report on July 8, 2010. We are convinced that many of the facts substantiated in this Response would have come to light had the Grand Jury made a more diligent effort in interviewing current and former members of our Citizens' Bond Oversight Committee.

California Education Code Sections 15278-15282 establish the requirement for school districts to create and maintain a citizens' oversight committee (referred to in GUHSD as the Citizens' Bond Oversight Committee) to oversee a bond measure passed with the Proposition 39 55% voter threshold. It specifies not only the structure but also the function of this committee which includes the review of expenditures, oversight of audits, and communications to the public.

We believe that our CBOC oversight is critical to the success of our bond program. Serving as public oversight of our board, they have diligently worked to be very informed as to the issues surrounding bond implementation, performing the very oversight task that the Grand Jury attempted to do in its Report. The CBOC is undoubtedly aware of the allegations brought to the Grand Jury and has given them appropriate consideration, unanimously arriving at the conclusion that we are correct by not constructing a 12th high school in the immediate future. We are confident that many of the deficiencies in the Grand Jury Report could have been avoided had it called representatives from this important group.

At a GUHSD Board Meeting on February 10, 2011, Karen Fleck, the President of the Foothills Secondary Council of PTAs provided comments on behalf of her board and all PTSA presidents from schools in the Grossmont District. We are unable to verify whether *any* current or former PTA/PTSA President from any of our schools was interviewed during the Grand Jury's investigation. Her comments aligned with those of the CBOC and this Board, as indicated in the following excerpts from her comments to the Board that evening:

"If economic times were different, our opinion would be different. We are all not opposed to a 12th high school. We are just opposed to the timing. The needs at the other 11 existing high schools will not be met, being cut already are school days, programs, teachers and support staff...Estimated operating costs for the Alpine high school are \$1.3 million/yr. even with the many efficiencies built in to the construction plan. But that money will be taken from the rest of the remaining sites/students. What programs will we cut at each site to make up \$1.3 million?...WAIT to build until we can afford to open the school, when the economic times and the enrollment numbers support it." However these concerns are not identified anywhere in the Grand Jury Report.

Of additional concern to us is the fact that, to our knowledge, the Grand Jury chose to obtain testimony from only three of the ten current or former Board members involved in the creation or implementation of Propositions H and U. Two of these three have consistently advocated for the expeditious construction of a high school in Alpine, refused to discuss alternative views, and have challenged the board's majority opinion to the point of walking out at the beginning of meetings when the subject of the creation of this Response was to be discussed on our agenda. We can only conclude that Grand Jury investigative procedures resulted in a similarly skewed population being interviewed from the group identified as "Concerned citizens." Since this was a Grand Jury Investigation into the actions of the GUHSD Board, we are confident that many of the corrections and clarifications in this response would have been provided to the Grand Jury had it called the other two members supportive of the current board's policy on this issue. See Board Resolution 2012 - 05.

In summary, there are significant procedural shortcomings in the Grand Jury's obtainment of data and representative testimony from both Alpine and the entire GUHSD area. Although the investigation was focused on the GUHSD Board, to our knowledge, the vast majority of current and former board members were not contacted. This limited inquiry has resulted in the testimony obtained being largely skewed towards a well-organized special interest advocacy group that has consistently advocated for a specific design and early construction timeline for a 12th high school in Alpine regardless of the concerns of many detractors in Alpine or its impact on other communities and schools in the GUHSD. Therefore, many of the Facts, Findings and Recommendations are limited in scope and accuracy due to the Grand Jury having incomplete information.

RESPONSE TO GRAND JURY FINDINGS

Our choosing not to provide a critique of certain Facts does not imply that we agree with them, merely that we consider them irrelevant to the Findings and Recommendations to which we are compelled to respond. **Bolded Findings, Facts and Recommendations** are direct quotes from the Grand Jury Report; their inclusion is for clarity, and does not imply agreement.

Grand Jury FINDING 01: This [the failure for Propositions T, V, and W to pass] was the first of many disappointments for Alpine residents concerning the 12th HS.

This finding is as invalid as it is speculative. The vagueness of this finding allows it to be left open for individual interpretation. It is not possible to give a verifiable response as it calls for speculation. There is absolutely no way to prove or disprove Finding 01 with reasonable certainty.

Propositions V and W to purchase land and construct a high school in Alpine received only 45% support. This means that over half of Alpine voters voted against the purchase of land and the construction of a high school in Alpine. A clear majority of Alpine residents voted to oppose bonds to purchase land and construct a high school in Alpine on November 2, 2002. Therefore at best, only a minority was disappointed.

All it would take is two people in Alpine to be disappointed to make Finding 01 valid. Therefore we must conclude that, yes, a significant minority of voters in Alpine were probably disappointed. The majority voted to oppose construction of a 12th high school in Alpine. By definition, the winning majority is not disappointed in an election result. They got what they wanted!

Even if Finding 01 was valid as written, it does not address actions initiated or controlled by the GUHSD Board. It is merely an opinion of the effect of the public's attitude resulting from an election. This finding is irrelevant to any investigation regarding the history or actions of this Board.

Grand Jury FINDING 02: It was obvious by 2008 that GUHSD would not build the 12th HS due to a shortage of remaining Proposition H funds.

This finding is partially valid. It is valid if rephrased as "It was obvious by 2008 that GUHSD would not build the 12th HS using Proposition H funds." However, the GUHSD has a significant, recent history of building high schools without voter approved bond funding. Both West Hills High School (mid 1980's) and Steele Canyon High School (late 1990's) were constructed by GUHSD without voter approved bond funding. (Please see Attachment M for more detail) Therefore, it is not a valid conclusion that "GUHSD would not build the 12th HS" but merely that GUHSD would not build the 12th high school utilizing Proposition H funding.

Assuming that this was a valid Finding, it serves as the foundation affirming the Board's commitment to fund and build the 12th high school when the Board voted to put Proposition U on the ballot as a Proposition 39 Bond thereby creating a lower voter threshold for it to pass. Proposition 39 was passed by the voters of California in 2000, dictating several additional taxpayer protections in exchange for lowering the required voter approval rate to 55% from the traditional 66⅔%. Among the most significant is the requirement to establish a Citizens' Bond Oversight Committee and perform annual audits.

The GUHSD Board affirms to both the Grand Jury and the public our commitment to build the 12th high school in Alpine as soon as student enrollment and state funding can support it without compromising the quality of the education for the students served at all of our schools throughout the GUHSD.

Grand Jury Finding 03: Taxpayers in the region *again* felt that GUHSD would build the 12th HS.

We thank the Grand Jury for its observation that people feel “that GUHSD would build the 12th HS.” This is the position that every member of this board currently holds. We agree with the spirit of this Grand Jury finding.

We can neither affirm nor invalidate Finding 03 as there is no verifiable data documenting the feelings of taxpayers in 2008. It would be difficult to investigate data for a cogent response as Finding 01 refers to “Alpine residents” and Finding 03 refers to “Taxpayers in the region.” While there is undoubtedly significant overlap between these two groups, they are not synonymous.

While some taxpayers in the region may have felt that GUHSD would build the 12th high school, more informed taxpayers in the region would have read the Proposition U bond language which indicated it would be built when the attendance equaled or exceeded the official 2007-2008 CBEDS enrollment at the time of request for construction bids – and understood that construction would not occur until then.

The GUHSD acted in a manner that shows significant intent to construct the 12th high school in compliance with the bond language. The board did not slow down and ultimately stop the process until after enrollment fell (and continues to fall) significantly lower than the enrollment required to request construction bids in our efforts to comply with express bond language.

Grand Jury Finding 04: Selection of site and acquisition of the land *again* gave hope to Alpine/Blossom Valley area citizens.

We thank the Grand Jury and willingly stipulate to its observation. While the level of “hope” was not a factor considered in the decision to purchase land, we appreciate that many people in Alpine as well as the GUHSD Board members are looking forward to the day a new high school opens. This is the position that every member of this board (except Priscilla Schreiber until 2004) has always held and continues to pursue.

However, we can neither confirm nor invalidate Finding 04 as there is no verifiable data documenting the level of hope of Alpine/Blossom Valley area citizens in 2009. We cannot respond to the term “again” as this is the first reference in the Grand Jury Report to any group’s “hope.” We also question how this “hope” could be objectively measured.

We also note even greater difficulty to investigate objective data for Finding 04. Finding 01 refers to “Alpine residents,” Finding 03 refers to “Taxpayers in the region,” and Finding 04 refers to “Alpine/Blossom Valley area citizens.” The overlap between groups diminishes with each successive Finding. We can only guess if there is a statistically significant difference

between the amount of “hope” in 2009 exhibited by “Alpine Residents” verses “Alpine/Blossom Valley area citizens” verses “Taxpayers in the region.” We see no value in expending additional taxpayer funds to investigate this matter further.

Our intent is not to take away anyone’s hope. Our intent is to build a new high school in Alpine while continuing to equitably serve all students and communities represented in the GUHSD. This requires that we invest taxpayer monies wisely in the best interest of the entire district. We acknowledge the need and reaffirm our long-term commitment to construct a 12th high school in Alpine. We have provided substantial evidence of this commitment by conducting due diligence (such as obtaining Environmental Impact Reports, purchase of the land, clean-up of hazardous soils on site, design of grading plans and offsite improvements, LAFCO approval of sewer district realignment, and obtaining the various permits required to build from the U.S. Army Corps of Engineers, California Regional Water Quality Control Board, and The California Department of Fish and Game), the purchase of land, the required purchase of mitigation land, developing various site plans, and the budgeting set-aside of \$65 million.

Acquiring land enables earlier construction of a 12th high school, thereby proving the GUHSD Board’s commitment to this project. We appreciate that you agree with our decision to purchase the land for the 12th high school.

Grand Jury Finding 05: Resolution No. 2012-05 substantially revised the criteria to build the proposed HS in Alpine.

Finding 05 is invalid. No Board Resolution of this type can bind a future Board. Resolution No. 2012-05 clearly stated the opinion and priorities of the Board as to when construction of the 12th high school would be pursued. It represents absolutely no change in “the criteria to build the proposed 12th HS in Alpine.”

Resolution No. 2012-05 was written and passed as a direct result of repeated requests, demands and accusations on the part of the special interest advocates in Alpine demanding to know the Board’s intent regarding the construction of a 12th high school. While these special interest advocates may not agree with its contents, we provided a clear statement of the current budgeting priorities for the construction of a 12th high school, as requested.

Grand Jury Finding 06: Based on Governing Board actions, the proposed construction of the 12th HS will not begin before the third quarter of 2018. There is no certainty that GUHSD will ever build the 12th HS.

The Facts indicated in the Grand Jury Report do not support Finding 06. We agree to the following Facts:

Grand Jury Fact: GUHSD Superintendent unilaterally withdrew the building design plans from DSA in the summer of 2012.

Grand Jury Fact: At the November 8, 2012 GUHSD Governing Board meeting regarding the building of the 12th HS, the Board: Ratified the superintendent's action of pulling the building design plans from DSA.

However, the following Fact listed in the Grand Jury report, while true, is of no consequence for the reasons indicated:

Grand Jury Fact: At the November 8, 2012 GUHSD Governing Board meeting regarding the building of the 12th HS, the Board:

- **Declared that the enrollment threshold called for in Proposition U must be met again before construction could begin on the 12th HS.**

The statement to which the Grand Jury Report refers to here is simply a reaffirmation of the bond language found in Proposition U. As stated in the Grand Jury Report on page 5, "Language was included in the bond that enrollment equal or exceed 23,245 at the time of request for construction bids." We have not issued any requests for bids as related to the construction of a 12th high school. Therefore, we cannot comply with the bond language merely by acknowledging that GUHSD had met the enrollment threshold set forth in Proposition U during the 2010/11 school year. There is no "again." Bond language clearly states that this enrollment threshold must be met "at the time of request for construction bids." It is our intent to comply with the voter approved bond language. We trust that the Grand Jury supports this intent and is not suggesting this Board ignore voter approved bond language.

- **Reaffirmed that ADA funding must return to 2008 funding levels before the 12th HS is built.**

To reaffirm a recent action is not to change course. It merely reassures the public that we intend to follow through with our stated priorities in regards to the construction of a 12th high school. This is a fact without substance. It is redundant. It adds no additional information.

Finding 06 has no foundation based upon the Facts included in the Grand Jury Report or merely identifies facts evident earlier. We will stipulate to the statement "There is no certainty that GUHSD will ever build the 12th HS." For our response, we will simply quote Benjamin Franklin: "Nothing is certain except death and taxes."

Once again, every member of the GUHSD Board affirms to both the Grand Jury and the public the need for, and reaffirms our long-term commitment to construct a 12th high school in Alpine.

We have provided substantial evidence of this commitment by conducting due diligence (such as obtaining Environmental Impact Reports, and obtaining the various permits required to build from the U.S. Army Corps of Engineers, California Regional Water Quality Control Board, and The California Department of Fish and Game), the purchase of land, the required purchase of mitigation land, the development of various site plans, and the budgeting set-aside of \$65 million.

RESPONSE TO GRAND JURY RECOMMENDATIONS

We are committed to full cooperation and transparency. We are concerned that some of the Grand Jury Recommendations are either unjustified or cannot be implemented as suggested. Therefore, we will implement any portion of a recommendation that will enhance our commitment to construct a 12th high school in Alpine.

The 2012-2013 San Diego County Grand Jury recommends that by December 31, 2013 the Grossmont Union High School District Governing Board bring clarity to the residents of the Grossmont Union High School District and the greater Alpine area by the following actions:

13-76: Make a final decision as to whether or not the District is going to unconditionally build the 12th HS in the Alpine area as called for in Proposition H in 2004 and Proposition U in 2008. The decision should be announced to the GUHSD citizens shortly thereafter via all appropriate media.

The GUHSD Board has already attempted to bring clarity by passing Resolution No. 2012-05. We will not make a decision to construct a 12th high school prematurely for reasons clearly outlined previously in this Report. A voter imposed enrollment condition cannot be disregarded lightly. Therefore, we cannot give an unqualified “Yes” answer.

We have attempted to communicate our clear intentions, recognizing that there are significant variables that we cannot control in the future such as future enrollment, state budgets, and construction costs. Our intentions are communicated in Board Resolution 2012-05 and the bond language.

It is the current intent of the Grossmont Union High School District Board of Trustees that we will give serious consideration that the time has arrived to construct the 12th high school:

- After districtwide enrollment at the existing comprehensive high school sites, including the two current charter schools, equals or exceeds 23,245 (which is the official 2007-08 CBEDS enrollment) at the time of release of request for construction bids, begin and complete construction... (Excerpt from Proposition U on November 4, 2008 ballot)

- Upon the restoration of ADA funding for the district to the level it was at the time Proposition U was passed in 2008 the Governing Board will review and consider resumption of the construction process. (GUHSD Resolution No. 2012-05; please see Attachment N)

Per your recommendation, we will again announce this decision via all appropriate media.

13-77: If the Board commits to building the 12th HS in Alpine, they should:

- **Deposit budgeted funds for building the high school into an escrow account.**

As previously stated, the Grossmont Union High School District Board of Trustees is committed to building a 12th high school in Alpine. However, it is prohibited by federal tax law to comply with this recommendation. The nature of public capital improvement projects is based upon several variables including current prevailing interest rates for similar bonds, and total assessed values of real property within the District. With two years of decline in assessed property values since 2007, significant limits have been placed upon short-term projected cash availability under Propositions H and U. There are legal constraints defining when and how large an issuance of bonds may be. The GUHSD is monitoring this situation closely, and is issuing bonds in as efficient and cost-effective manner as is permitted by law. It is the intention of this Board to continue to comply with state laws and regulations in our bond issuances.

Simply stated, the funds do not exist in a bank account to be transferred and held at will. They are budgeted against future cash receipts. It is prohibited by federal tax law and our fiduciary duty for the GUHSD to obtain bond funds and fail to utilize them in a timely manner in compliance with bond language.

On April 8, 2007, the GUHSD Board approved a \$65 million budget for the construction of the 12th high school in Alpine. Creating an actual bank account to have money generated from tax exempt bond sales sit unused for an extended period of time is prohibited by federal tax law.

13-77: If the Board commits to building the 12th HS in Alpine, they should:

- **Establish and pursue a credible implementation timeline for this project.**

In effect, this has been done (and is outlined in our response to Recommendation 13-76 above). This timeline is event-driven, not date-driven. We cannot predict the future. The financial commitment for the ongoing maintenance and operation of an additional high school is significant. We do not want to make this commitment prematurely during a time of declining enrollment and underfunded educational budgets.

13-78: If the Board does not elect to commit to building the 12th HS in Alpine they should take all reasonable steps to cooperate with the Alpine Union School District in support of the unification effort in that community.

We agree to this Recommendation. As stated throughout this Response, the GUHSD Board reaffirms our commitment to build the 12th high school in Alpine when bond conditions permit, without compromising the quality of the education for the students served at other GUHSD schools, and “upon the restoration of ADA finding for the District to the level it was at the time Proposition U was passed in 2008.”

SUMMARY

We have heard significant public comment over many years. We doubt that we haven't researched all of the issues that you have brought to our attention. It is therefore our conclusion that we have complied with both the spirit and letter of the law, developed an appropriate strategy for the future construction of a 12th high school in Alpine, and have made every effort to be transparent in this process.

While generating this response, we found it necessary to answer the following questions. Could this board:

- ignore voter approved bond language?
- obtain nearly \$40 million through tax-exempt bond sales and intentionally retain those bond funds in a bank account for an extended period, contrary to federal tax law?
- construct a high school when enrollment has declined by roughly one full high school in the last six years?
- make permanent planning and construction decisions for a 12th high school that will bind a potential future Alpine Unified School District?
- justify to the other 96% of our community who do not live in Alpine that constructing an additional high school that would require a permanent annual increase in our net fixed costs of approximately \$1.0 million?
- justify to the teachers and students in our district who have experienced a reduced school year, significantly increased class sizes, and submitted to other sacrifices in the classroom, constructing an additional high school that would require a permanent annual increase in our net fixed costs of approximately \$1.0 million?

- ignore our communities being served by 50-year-old schools housing a disproportionate number of at-risk and minority students in order to construct a brand new state of the art high school?

We look forward to having a substantive discussion with the board members who have yet to publically comment on these issues. We solicit and appreciate the thoughts of our remaining two board members.

We sincerely appreciate this opportunity to perform this analysis of the status and future of the 12th high school in Alpine.



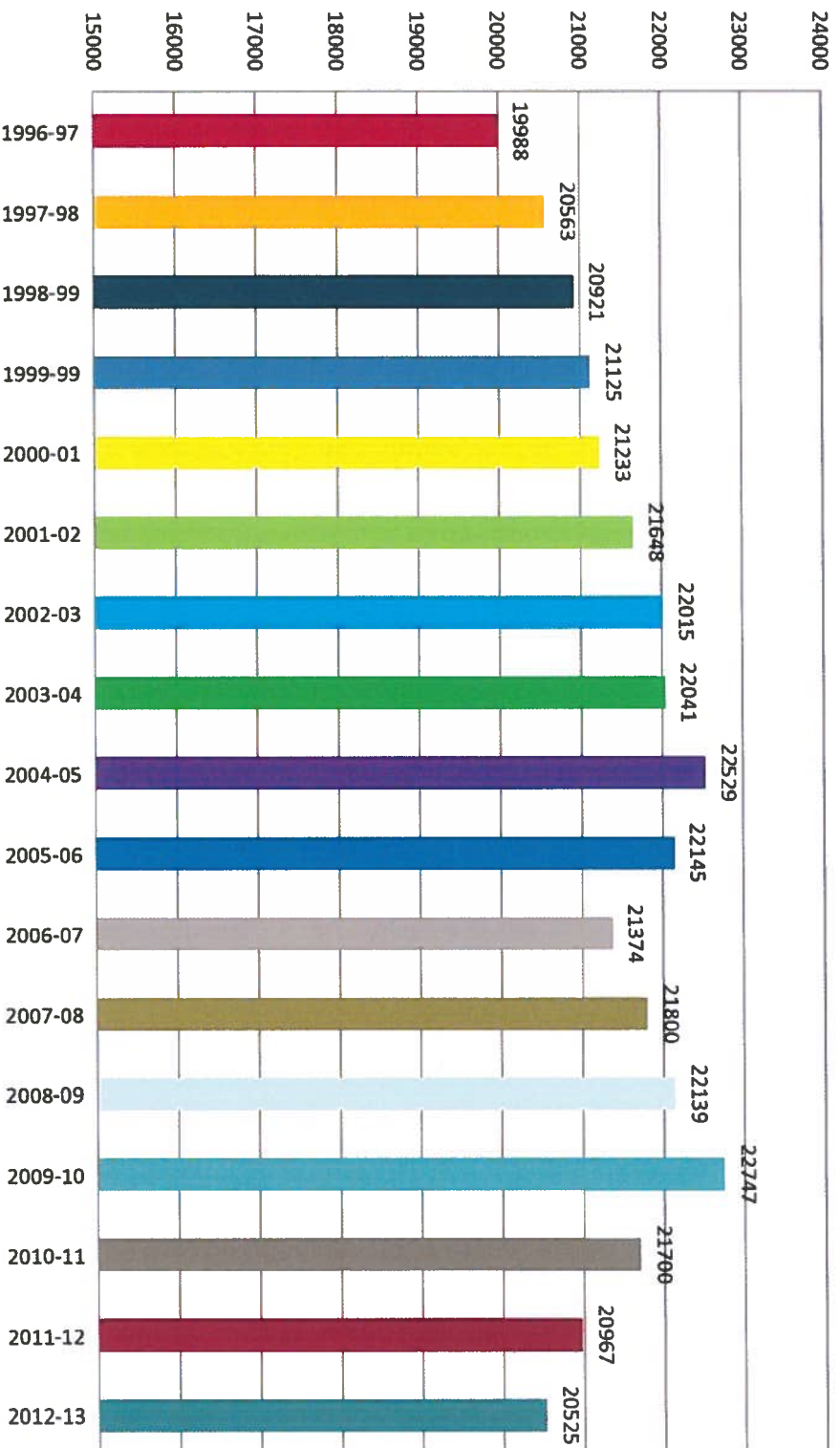
Jim Kelly, President
GUHSD Board of Trustees

July 25, 2013

Attachment A

CBEDS Enrollment GROSSMONT UNION HIGH SCHOOL DISTRICT

Excludes Helix Charter High and Liberty Charter

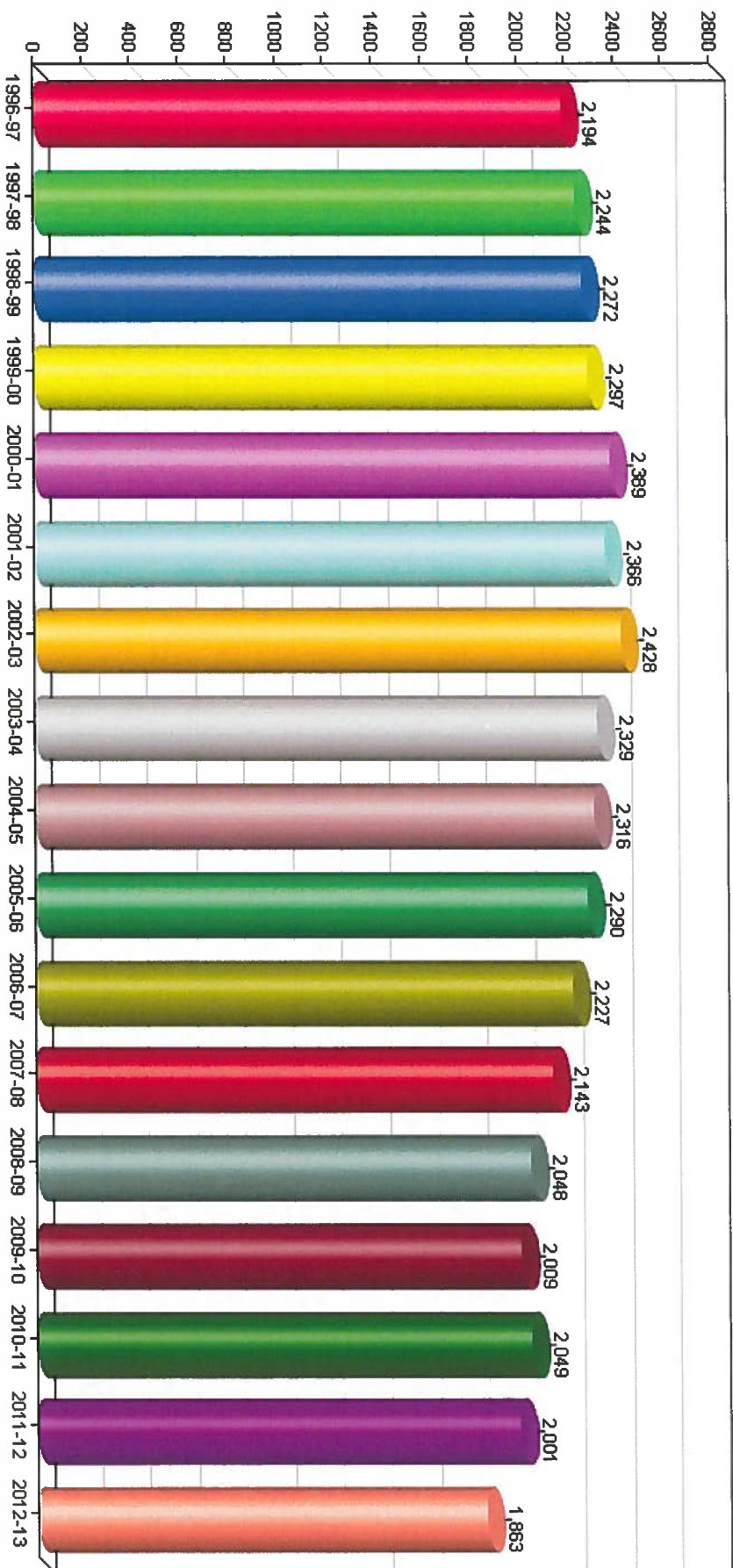


SOURCE: CDE's DataQuest website (<http://dq.cde.ca.gov/dataquest/>)

Note: Enrollment at Helix Charter High School and Liberty Charter School has been excluded in order to maintain consistency with the Davis Demographics & Planning (DDP) enrollment projection commissioned in 2007. The DDP study was unable to include Helix Charter High School based on the absence of these students in the GUHSD's student information system SIS. Helix does not participate in using the GUHSD SIS, and, consequently, student data is not available in a compatible format.

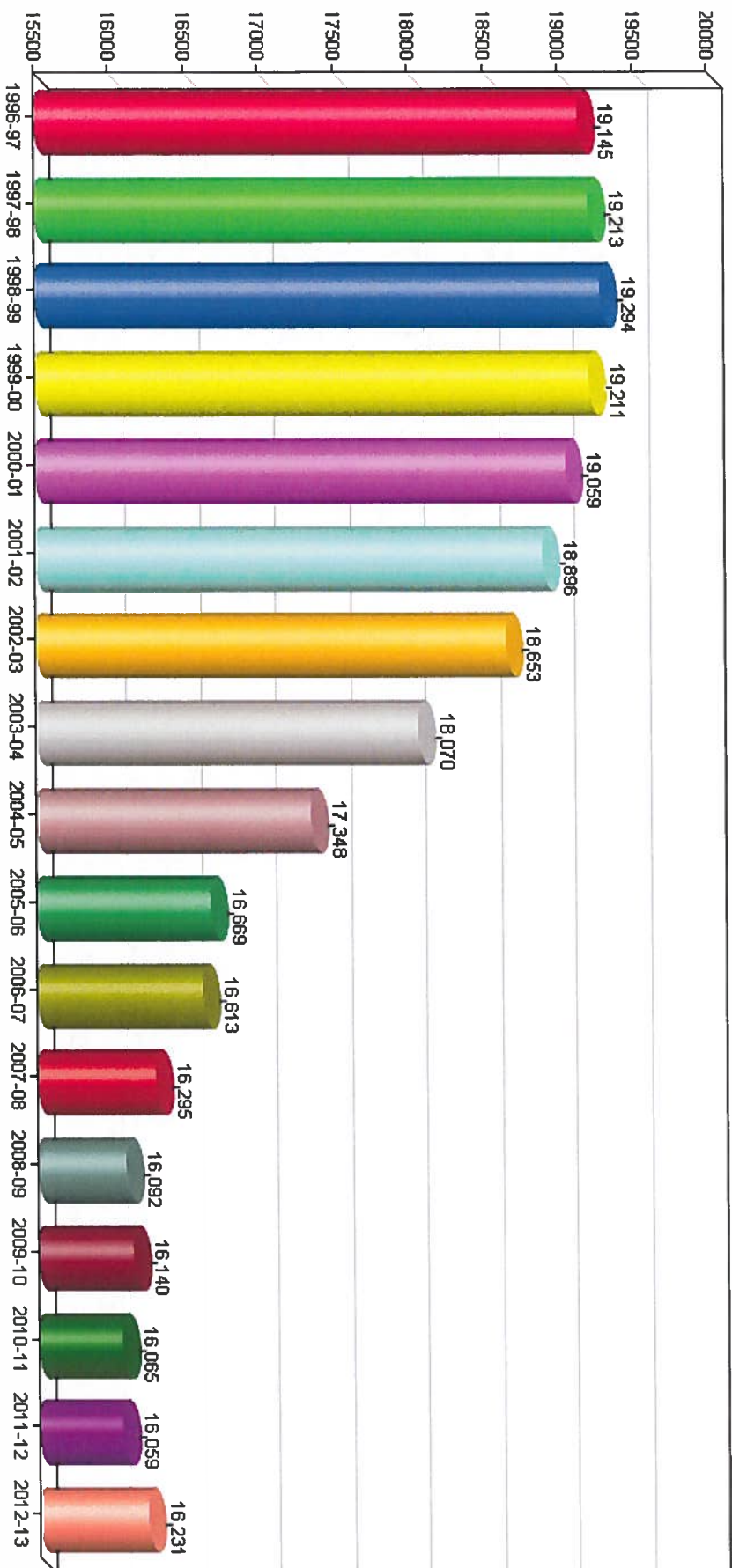
Attachment B

CBEDS Enrollment (K-8) ALPINE UNION SCHOOL DISTRICT



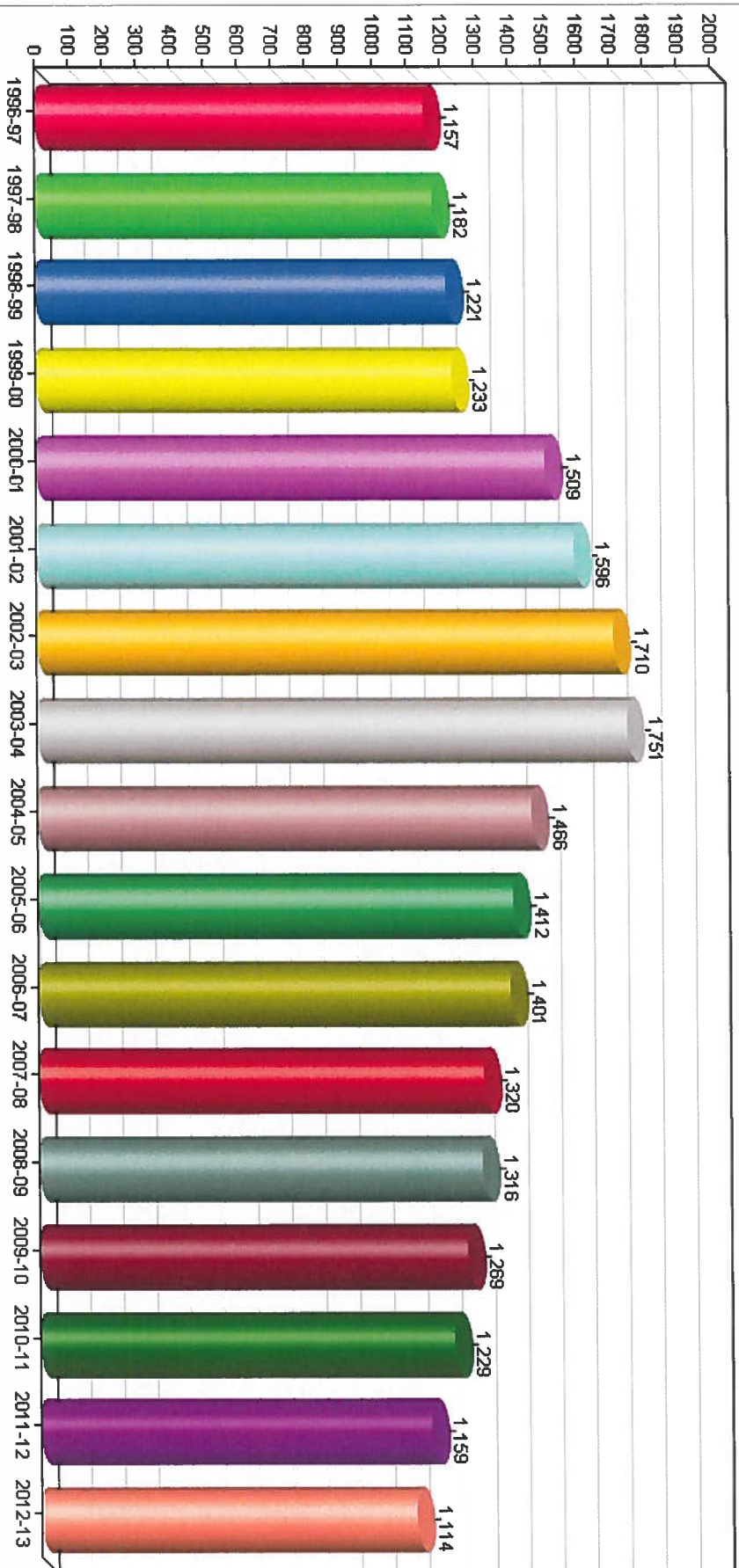
SOURCE: CDE's DataQuest website (<http://dq.cde.ca.gov/dataquest/>)

CBEDS Enrollment (K-8) CAJON VALLEY UNION SCHOOL DISTRICT



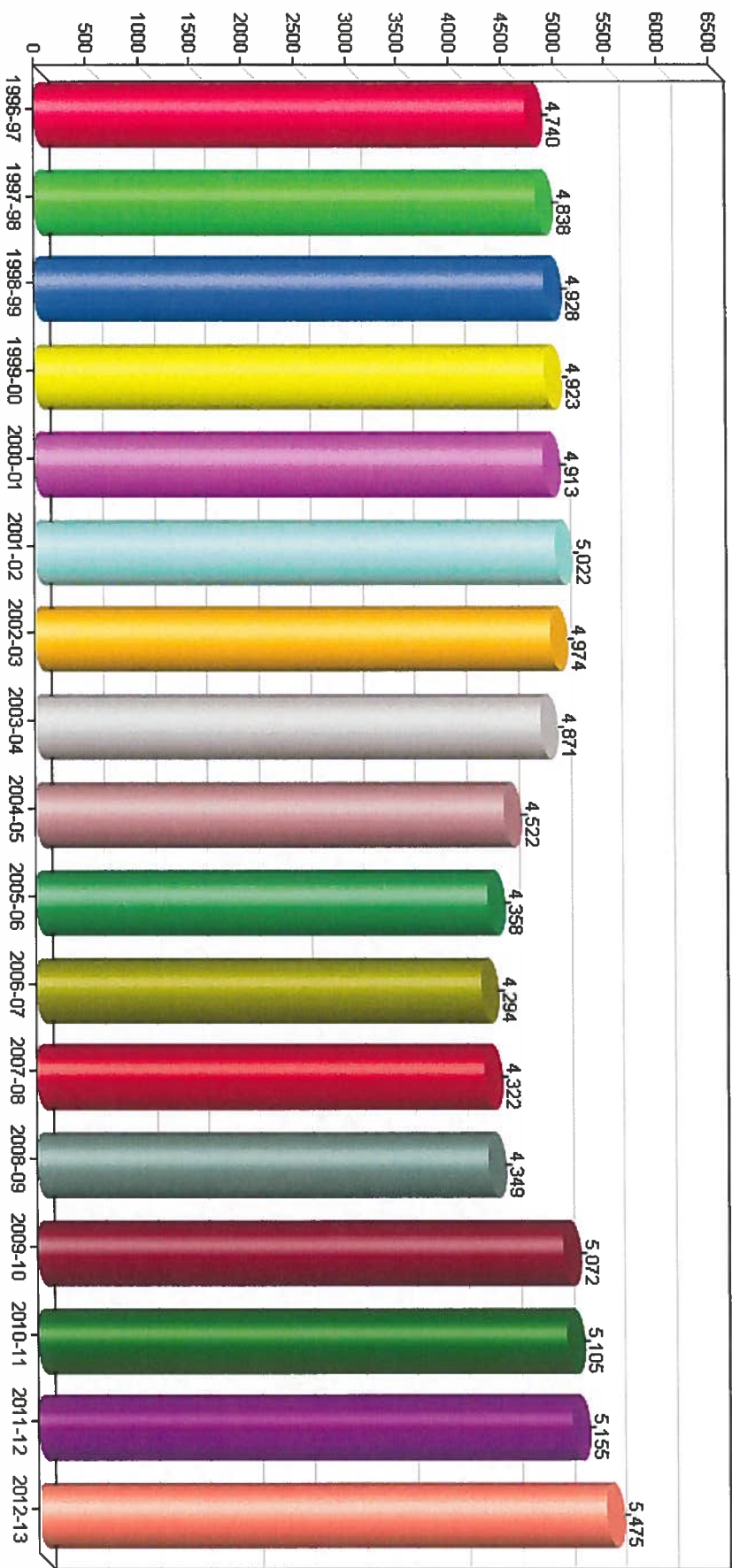
SOURCE: CDE's DataQuest website (<http://dq.cde.ca.gov/dataquest/>)

CBEDS Enrollment (K-8) JAMUL-DULZURA UNION SCHOOL DISTRICT



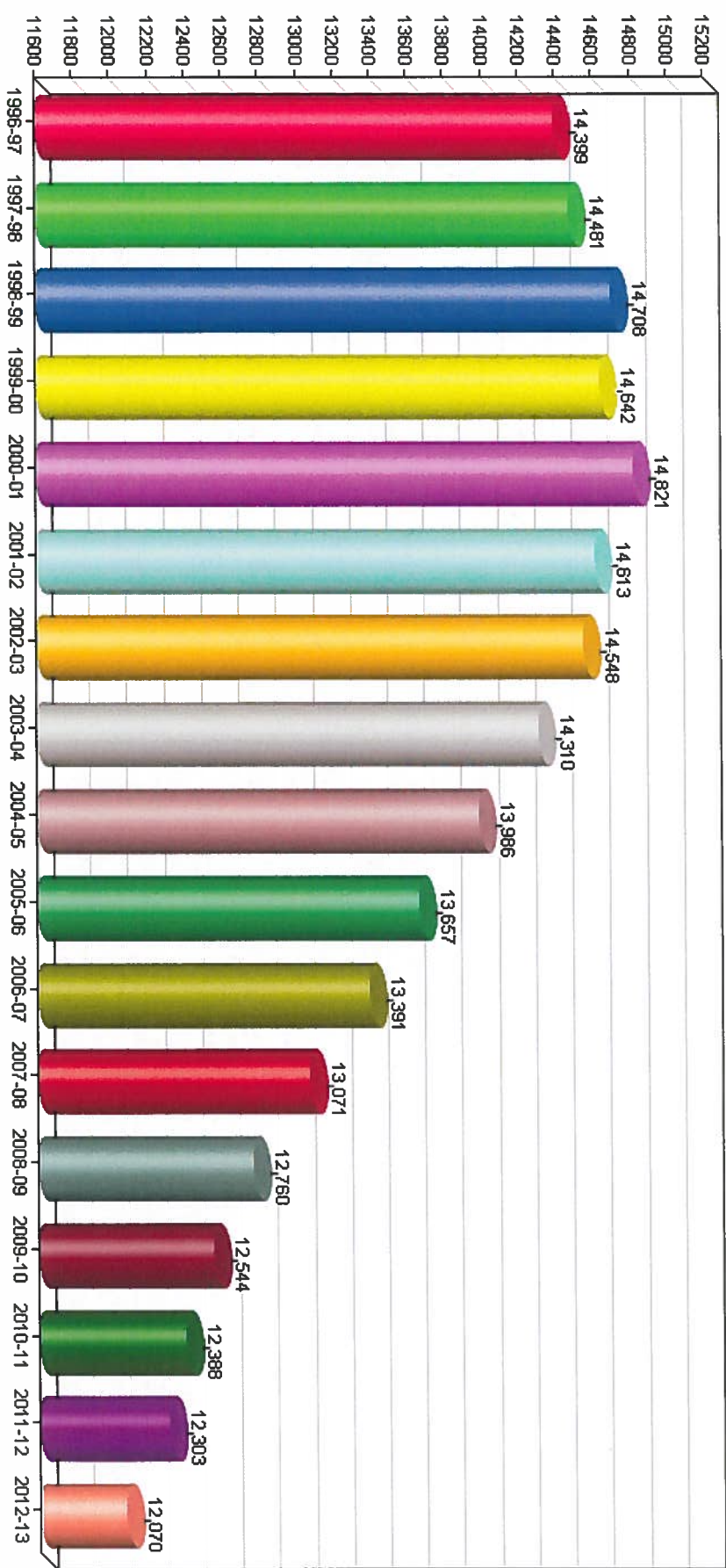
SOURCE: CDE's DataQuest website (<http://dqcode.org/en/dataquest/>)

CBEDS Enrollment (K-8) LAKESIDE UNION SCHOOL DISTRICT



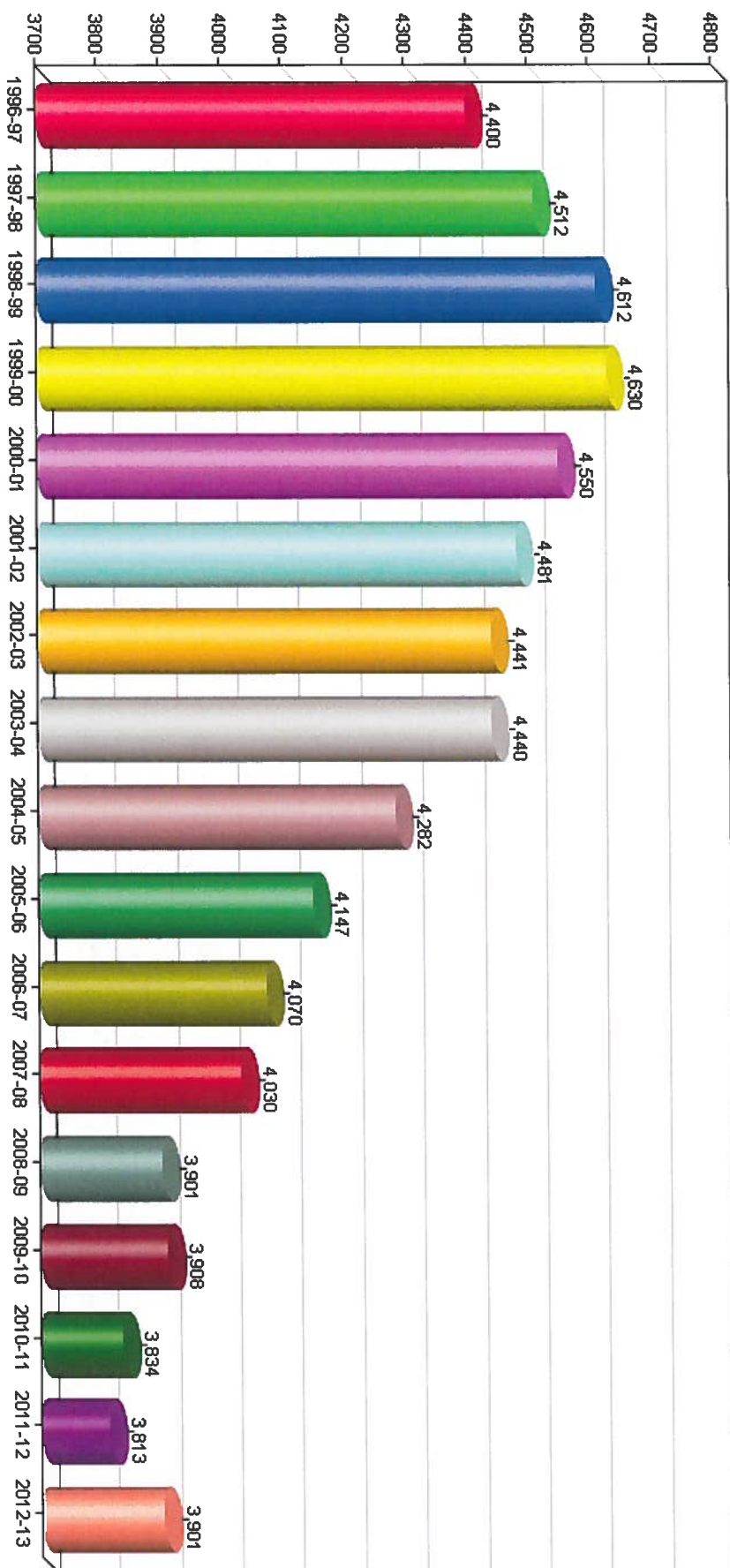
SOURCE: CDE's DataQuest website (<http://dq.cde.ca.gov/dataquest/>)

CBEDS Enrollment (K-8) LA MESA/SPRING VALLEY SCHOOL DISTRICT



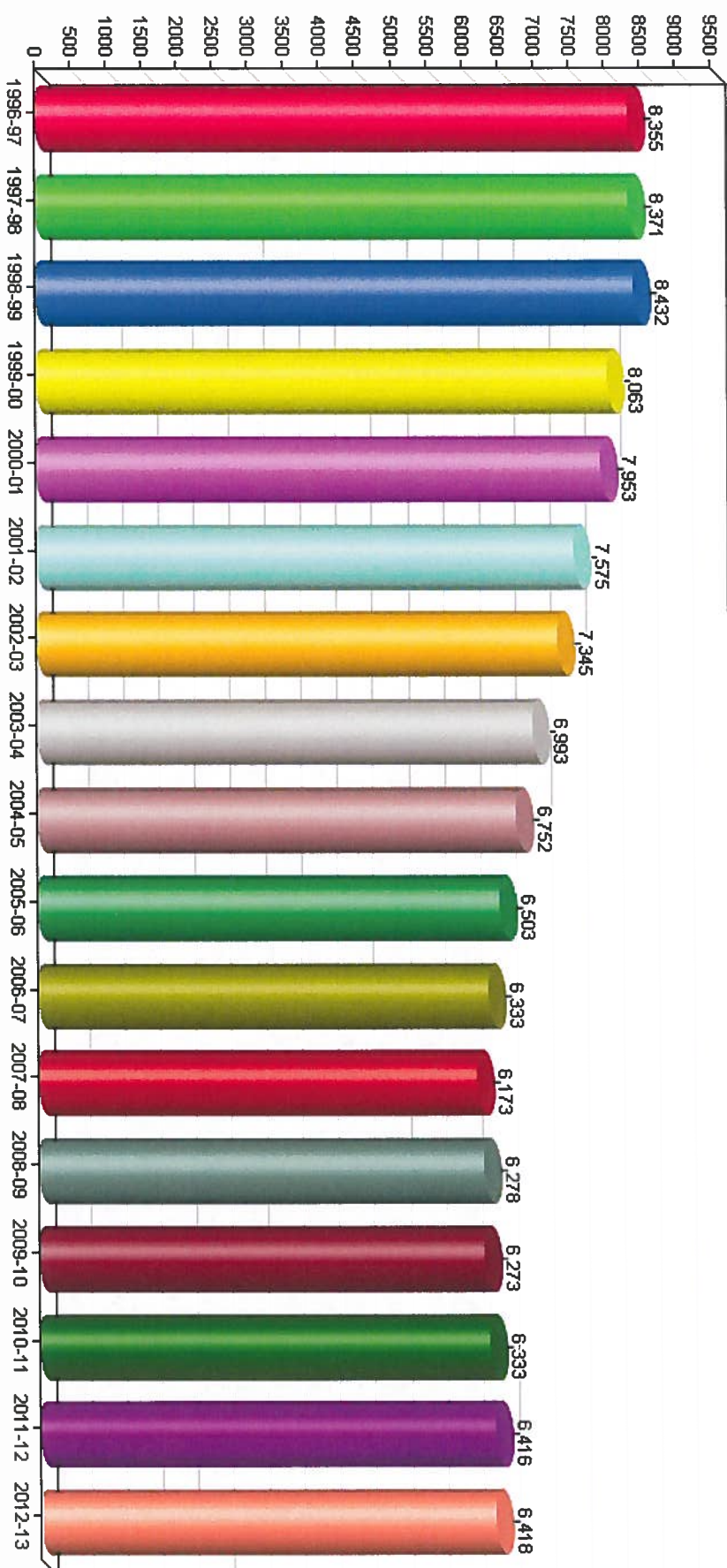
SOURCE: CDE's DataQuest website (<http://dq.cde.ca.gov/dataquest/>)

CBEDS Enrollment (K-8) LEMON GROVE SCHOOL DISTRICT



SOURCE: CDE's DataQuest website (<http://dq.cde.ca.gov/dataquest/>)

CBEDS Enrollment (K-8) SANTTEE SCHOOL DISTRICT

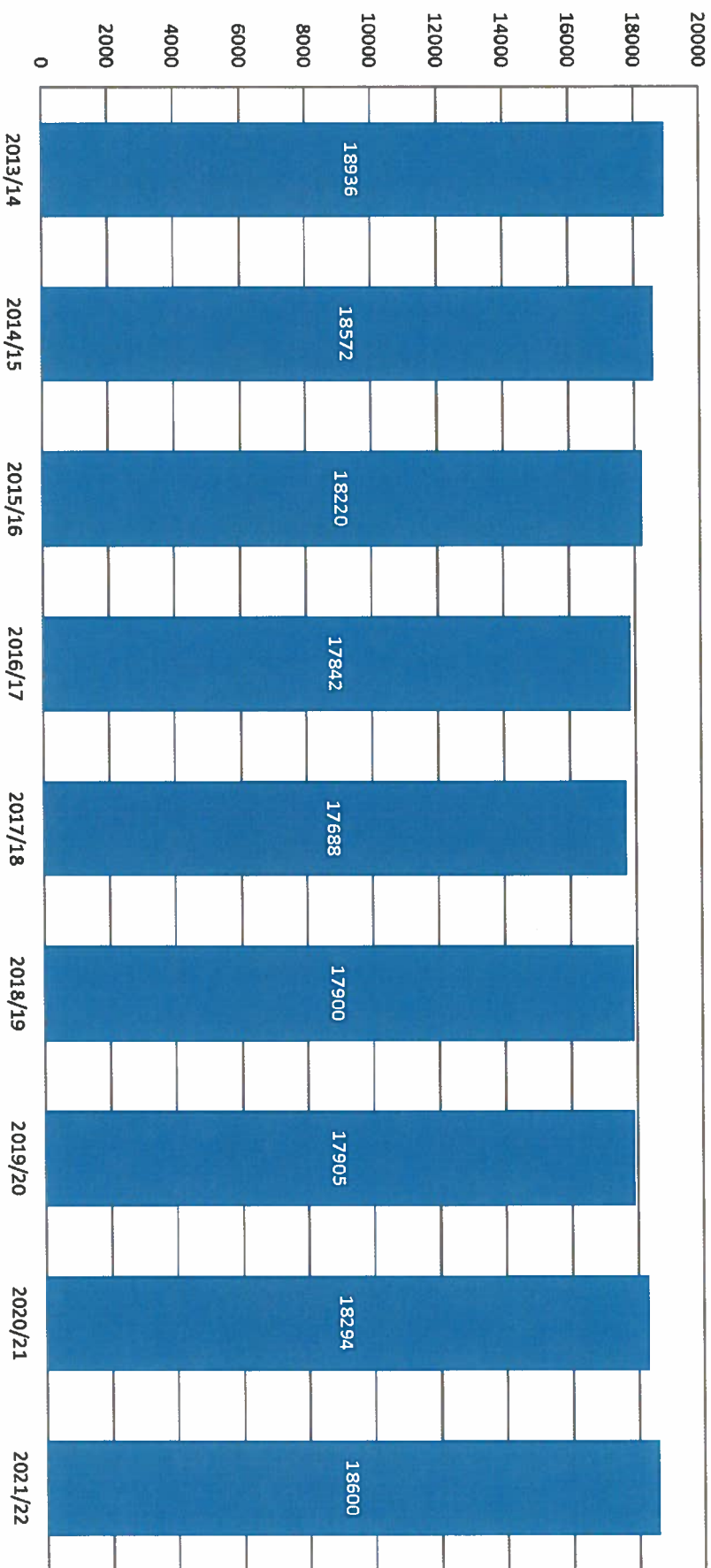


SOURCE: CDE's DataQuest website (<http://dataquest.cde.state.co.gov/dataquest/>)

Attachment C

GUHSD Long Term Enrollment Projections

From demographic study produced by Davis Demographics & Planning (DDP) commissioned in 2007-08



SOURCE: CDE's DataQuest website (<https://dq.cde.ca.gov/dataquest/>)

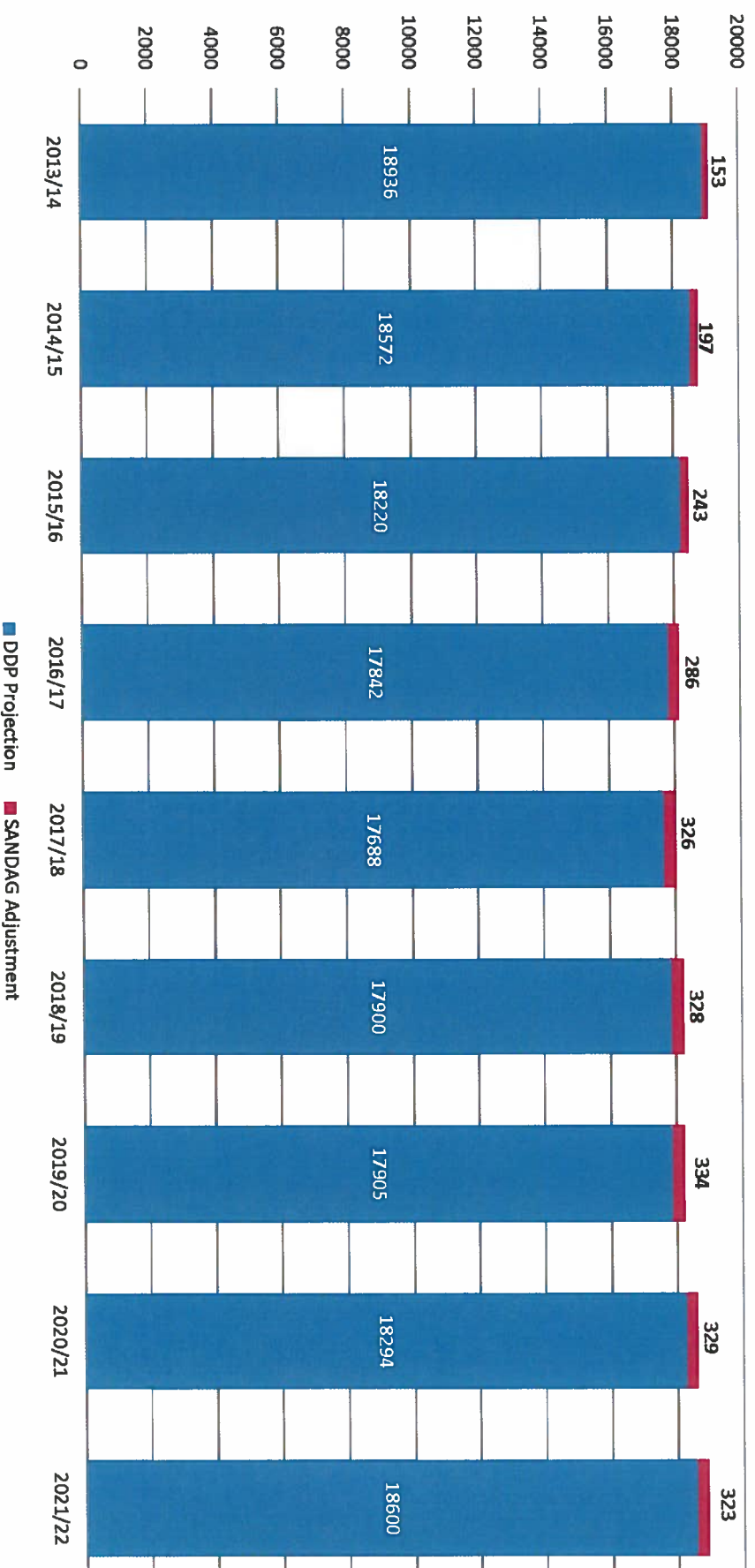
Note: Davis Demographics & Planning (DDP) was not able to make an enrollment projection for students attending Helix Charter High School as these students are not tracked in the GUHSD student information system (SIS). The student information system used by Helix is incompatible with GUHSD data.

Attachment D

GUHSD Long Term Enrollment Projections

(with SANDAG adjustment for growth in Alpine by 2020)

From demographic study produced by Davis Demographics & Planning (DDP) commissioned in 2007-08



SOURCE: CDE's DataQuest website (<http://dq.cde.ca.gov/dataquest>)

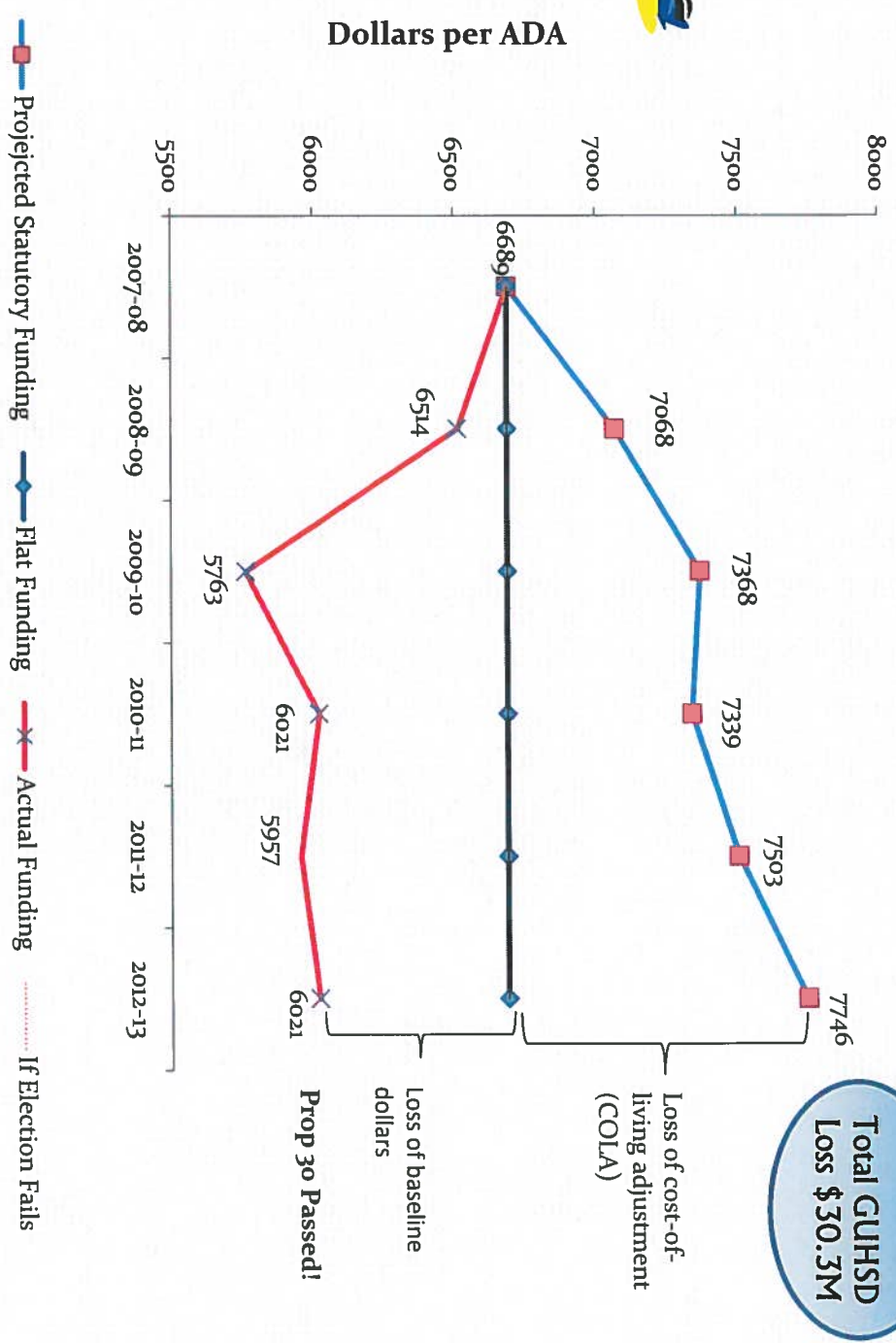
Note: Although the SANDAG 2020 projection includes the addition of ≈2,100 households, the net increase of high school aged students is projected to be between ≈150 and 330 per year. The net addition of these students — coupled with a relatively small number of students living in Alpine — is too small to fundamentally change the rationale for building a 12th high school at this time.

Attachment E

FY 2012/13 Second Interim Financial Report & Overall Budget Planning

Grossmont Union High School District Projected vs. Actual Funding Per ADA

**THE ALLIGATOR
CHART**



Attachment F

**Grossmont Union High School District
Business Services Division**

Class Sizes and Student Instructional Days

Class Sizes	2007/08	2008/09	2009/10	2010-11	2011-12	2012/13
Ninth Grade English & Social Science	20.4	20.4	25.0	37.0	37.0	37.0
All Other	34.0	35.5	37.0	37.0	37.0	37.0
Student Instructional Days	180	180	180	175	180	180

Attachment G

[Read about future changes to your SDG&E bill - Click Here](#)

Add webmaster@sdge.messages3.com to your addressbook



I am writing you today to share information regarding some of the region's energy challenges, some important changes in the coming months, and some help in reducing the impact on your business.

While the closure of the San Onofre Nuclear Generating Station has created an untimely reduction in our region's energy resources, we have taken steps to ensure a reliable supply of energy for the region. At the same time, we have revitalized our network with smart technology that will allow you to more efficiently control your energy use – especially during peak demand times. We have been increasing the supply of clean, renewable energy like solar and wind. And, we have made the ongoing delivery of energy more efficient through modernization and upgrades.

These are important investments to assure a continued high level of energy service for the future but they do come with added expense. In addition, the cost of producing and delivering the renewable energy we all desire is more expensive than traditional sources. I am letting you know that as a result, all businesses will see a noticeable increase in their energy costs in September.

What can you expect? Depending on your energy use, you will likely see an overall monthly bill increase of 11% to 18%.

We understand that increased costs can cause belt-tightening in any business. So you would be right in asking what we are doing to lower costs and operate as efficiently as possible on behalf of customers. Here are a few of the steps we have taken:

- ✓ Switched out 90% of our passenger fleet vehicles to high-mileage or clean-energy vehicles
- ✓ Installed smart switches on our electric system to help with service reliability
- ✓ Saved over \$2 million annually on paper and postage with online services
- ✓ Cut our own energy and water consumption by over 20%
- ✓ Substantially increased our ability to import lower-cost power into the region

What can you do about increased energy costs? Your account executive is here to assist you with energy efficiency information, recommendations, rebates and incentives that can help lower your energy use.

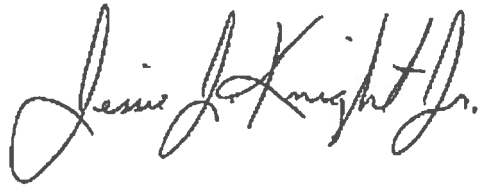
Our goal is to help our business customers manage energy costs. In the coming weeks you will be hearing from us again, providing what we hope is helpful information to meet the energy needs of your business in the most efficient and cost-effective way possible.

Thank you.

7/1/13

Managing Your Energy Use

Sincerely,

A handwritten signature in black ink that reads "Jessie J. Knight Jr." in a cursive style.

Jessie J. Knight Jr.
Chairman and Chief Executive Officer

To contact us please visit sdge.com/contactus.

If you have questions about coming rate changes visit sdge.com/2013BusinessRates

Attachment H

NEW HIGH SCHOOL IN ALPINE

Potential Revenue and Cost Impacts

"Mid" New Student Estimate Model

	Enrollment			New Revenue (New Enrollment x 95% x \$6500)	New Costs		Annual Net Revenue /(Cost)
	New	Transfer	Total		"Fixed"	New Teachers *	
YEAR 0	n/a	n/a	n/a	n/a	\$ 642,000	**	\$ (642,000)
YEAR 1	185	315	500	\$ 1,142,375	\$ 1,300,000	\$ 555,000	\$ (712,625)
YEAR 2	278	472.5	750	\$ 1,713,563	\$ 1,600,000	\$ 832,500	\$ (718,938)
YEAR 3	370	630	1000	\$ 2,284,750	\$ 1,900,000	\$ 1,110,000	\$ (725,250)

* Assumes Class size of 37 and teacher cost of \$90,000

** See Attached for positions/costs

Grossmont Union High School District

**PROPOSAL FOR ALPINE HIGH SCHOOL
Administrative Structure at Opening (400 Students)
Scaled Down From Build Out Model**

Position Description	Common Positions	School Positions	Total # Positions	Salaries/Benefits
Principal	.5		.5	65,000.
Vice Principal		2	2	230,000.
Classified Intern Director		.5	.5	55,155.
Manager of School Facilities (12 mos)	.5		.5	47,764.
Counselor		1	1	79,765.
Nurse (LVN 10 mos)	1		1	59,062.
Secretary (Administrative 12 mos)	1		1	73,674.
Secretary (Senior 11 mos)		1	1	68,165.
Secretary (Counseling 11 mos)		1	1	61,354.
Campus Supervisor (204 days)	1		1	46,261.
Custodian (12 mos)	1		1	59,036.
Campus Utility Worker (12 mos)	1		1	60,286.
Groundskeeper (12 mos)	.5		.5	28,906.
Technology Specialist (11 mos)	1		1	84,587.
Athletic Equipment Attendant (11 mos)	.5		.5	28,822.
Utilities				100,000.
Property Insurance Premium Increase				20,000.
Total	8	5.5	13.5	1,167,837.

Positions Not Requested				
Receptionist (Office Assistant 11 mos)	1		1	55,220.
Attendance/Finance Clerk (10 mos)		2	2	108,816.
School Resource Officer (187 days)	1		1	122,600.
Librarian	1		1	95,589.
Library Technician (11 mos)	1		1	58,835.
Guidance Information Specialist (11 mos)	1		1	63,944.
Dept. Chair Release Time (.2 per dept.)				
Total	5	2	7	505,004.

Grossmont Union High School District

**PROPOSAL FOR ALPINE HIGH SCHOOL
Administrative Structure at Opening (800 Students)
Scaled Down From Build Out Model**

Position Description	Common Positions	School Positions	Total # Positions	Salaries/Benefits
Principal	1		1	140,000.
Vice Principal		2	2	230,000.
Classified Intern Director		1	1	110,311.
Manager of School Facilities (12 mos)	1		1	95,528.
Counselor		1	1	79,765.
Nurse (LVN 10 mos)	1		1	59,062.
Secretary (Administrative 12 mos)	1		1	73,674.
Secretary (Senior 11 mos)		2	2	136,331.
Secretary (Counseling 11 mos)		2	2	122,709.
Campus Supervisor (204 days)	2		2	92,523.
Custodian (12 mos)	2		2	118,072.
Campus Utility Worker (12 mos)	1		1	60,286.
Groundskeeper (12 mos)	1		1	57,812.
Technology Specialist (11 mos)	1		1	84,587.
Athletic Equipment Attendant (11 mos)	1		1	57,645.
Utilities				200,000.
Property Insurance Premium Increase				33,750.
Total	12	8	20	1,752,055.

Positions Not Requested				
Receptionist (Office Assistant 11 mos)	1		1	55,220.
Attendance/Finance Clerk (10 mos)		2	2	108,816.
School Resource Officer (187 days)	1		1	122,600.
Librarian	1		1	95,589.
Library Technician (11 mos)	1		1	58,835.
Guidance Information Specialist (11 mos)	1		1	63,944.
Dept. Chair Release Time (.2 per dept.)				
Total	5	2	7	505,004.

Grossmont Union High School District

**PROPOSAL FOR ALPINE HIGH SCHOOL
Administrative Structure at Build Out (2000 Students)**

Position Description	Common Positions	School Positions	Total # Positions	Salaries/Benefits
Principal	1		1	140,000.
Vice Principal		5	5	575,000.
Classified Intern Director		2	2	220,622.
Manager of School Facilities (12 mos)	1		1	95,528.
Counselor		3	3	239,295.
Nurse (LVN 10 mos)	1		1	59,062.
Secretary (Administrative 12 mos)	1		1	73,674.
Secretary (Principal 11 mos)		5	5	340,828.
Secretary (Counseling 11 mos)		5	5	306,771.
Campus Supervisor (204 days)	3		3	138,783.
Custodian (12 mos)	2		2	118,072.
Campus Utility Worker (12 mos)	1		1	60,286.
Groundskeeper (12 mos)	2		2	115,624.
Technology Specialist (11 mos)	2		2	169,174.
Athletic Equipment Attendant (11 mos)	1		1	57,645.
Utilities				300,000.
Property Insurance Premium Increase				45,000.
Total	15	20	35	3,055,364.

Positions Not Requested				
Receptionist (Office Assistant 11 mos)	1		1	55,220.
Attendance/Finance Clerk (10 mos)		5	5	272,039.
School Resource Officer (187 days)	1		1	122,600.
Librarian	1		1	95,589.
Library Technician (11 mos)	1		1	58,835.
Guidance Information Specialist (11 mos)	3		3	191,831.
Dept. Chair Release Time (.2 per dept.)				
Total	7	5	12	796,114.

Attachment I-1

Planned Opening of New Carlsbad High School Creates Controversy

Copied from <http://www.examiner.com/article/planned-opening-of-new-carlsbad-high-school-creates-controversy>

- SCHOOL BUDGET CRISIS CARLSBAD SCHOOLS TEACHER LAYOFFS
- FEBRUARY 13, 2013
- BY: MARY MARTIN

The CUSD Board of Trustees is planning to spend at least \$1.2 million to open a new high school in fall of 2013 despite a projected deficit of \$3.2 million and dwindling reserve funds.

Never mind that the school is not needed at this time and that its operation will be paid for out of the same pot of money that funds the existing schools.

Never mind that only 300 students have enrolled to attend the new school next fall, making the cost run the school an unfathomable \$4000 per student.

One might wonder about the math skills, or perhaps the logic, of the board members who approved that.

The new school, [Sage Creek High](#) (SCHS), was constructed to alleviate anticipated overcrowding at existing Carlsbad High (CHS) based on enrollment projections that have turned out to be over-estimated. After a construction bond measure was passed by Carlsbad voters in 2006, the economy took a downturn, and growth in Carlsbad slowed. Last year, there were [3230 students enrolled at Carlsbad high, 600 fewer than the projection](#).

The school board members and district officials who control the decisions insist that there are costs associated with not opening the school, both financial and legal. Claims have been made by board members or rumored lawsuits if the district doesn't deliver on its promise to voters who supported the bond measure with the understanding that they would get a new high school out of it. Also, concerns were expressed that if the Sage Creek facility was vacant after completion, the district would be obligated to give any interested charter schools the first right of refusal to occupy the buildings. Charters in California are typically granted for five year terms, making a later opening of Sage Creek as a district school complicated.

These two reasons, given by every board member who has given a response to questions from the community, sound like the boy crying wolf when examined closer. First of all, no lawsuit has emerged since that allegation was made in the fall, and the claims of legal action remain unsubstantiated with no plaintiff coming forward, no parties being named, and no suit filed as of now.

As far as a charter school usurping the space if it is not occupied in August, the application and approval process for a charter school to operate within a district is long and complex. Whether a charter could successfully complete a bid to take over the Sage Creek campus within the time needed by CUSD to sort out its spending priorities is unknown, some might even say unlikely. A current charter school bid by [Oxford Prep Academy is enduring an appeals process](#) and possibly defeated due to complex and challenging requirements that Oxford Prep was unable to meet. It is also possible that even if Sage Creek opens in the fall, a charter school could apply to rent space within any unoccupied portions of the campus; since Sage Creek is not going to be at capacity for several years, this possibility is equally real. Hinging Sage Creek's opening on the uncertain chance of a charter school staking a claim is unsatisfactory.

[Critics](#) of the school's planned opening in August 2013 point out the areas in which the district has already made cuts and which are still facing more cuts if revenues don't increase drastically. Those voicing their opposition include the local teacher's union, teachers, staff, some community members, and even some parents. They maintain that the expense involved in opening and operating SCHS will jeopardize the more than 10,000 students of the district in many ways <http://delaysagecreek.com/wait/>: less money for textbooks, supplies, cleaning, maintenance, technology, support staff, and security; increased class sizes due to not being able to hire additional teachers to accommodate the additional classes; resources for sports and the arts split between two high schools, shortchanging both; the potential of cutting more than seven instructional days in order to afford the \$1.2 million price tag ([Opening and first year costs equate to 7.2 days of teacher pay](#)).

Last year, when CUSD was facing a budget shortfall, [saving \\$300,000 by closing one small alternative high school](#) that served just over 100 students seemed logical. Never mind that this school had a proven success record in reaching marginalized students through its unique program and dedicated campus, or that the savings was a drop in the bucket yielding a remaining \$2.4 million deficit for the current school year. That was the [decision](#) made by the Carlsbad Unified School District Board of Trustees in spring of 2012. Logical enough.

So when that same school district is facing an [even greater budget deficit](#) the next school year, one might expect that same school board to take a similarly conservative, cost-cutting approach to the expenditures presented before it.

Not in Carlsbad.

School board members have been fielding emails, phone calls, letters, questions in the hallways, and impassioned speeches from both sides. The big question - where the money to open the school will come from, and whether more cuts will have to be made to existing services to support it - remains unanswered as school staff and board members defer to future budget projections that won't be made public for several more weeks. Superintendent Suzette Lovely was quoted in the Coast News in January as saying, "We can't start planning and actually budgeting until the legislative process goes through its whole course."

Based on financial commitments that have already been made - the salary of the school's principal, Cesar Morales, for instance, which has been coming out of district general funds since July 2012 - it seems that decision makers have done more than just plan for Sage Creek expenditures - they've spent.

More speeches from both sides are expected at the school board meeting on Wednesday, February 13 at 6 PM at the district offices on El Camino Real in Carlsbad.

Attachment I-2

California district can't afford to use new \$105M school - USATODAY.com

By William M. Welch, USA TODAY
Jun 21, 2011

USAToday.com



California district can't afford to use new \$105M school

RIVERSIDE, Calif. — In a sign of just how deep economic and budget problems have grown in the nation's largest state, a gleaming new high school built at a cost of \$105 million will sit unused for at least a year because education officials say they don't have money to operate it.

div class="photo-block">



By Robert Hanashiro, USA TODAY

Newly constructed Hillcrest High School in Riverside, Calif., won't be easing the crowding at La Sierra High as the new school sits empty for the coming school year.

By Robert Hanashiro, USA TODAY

Newly constructed Hillcrest High School in Riverside, Calif., won't be easing the crowding at La Sierra High as the new school sits empty for the coming school year.

Hillcrest High School in Riverside was planned to relieve crowding at a nearby school and was financed with bonds approved by voters in 2007. But Wendell Tucker, superintendent of the Alvard Unified School District, says big cuts in state funding, the main source of money for local schools, have left the inland Southern California district without the means to hire administrators, teachers and other staff needed to open the campus when the school year starts this fall.

"When the California budget goes down and income in the state goes down, funding to K-through-12 education goes with it," Tucker says. "We made a number of budget adjustments. Right now, we simply are out of adjustments, and it's not feasible ... to open this school."

While the soon-to-be completed school will be empty, 3,400 students attend nearby La Sierra High School, built to house fewer than half that number. Classes in the main subjects are packed with 35 to 37 students each, Tucker says. Although the new school would ease

crowding, he says, it would cost \$3 million to open and operate it for the coming academic year.

Some teachers could be moved from the district's other high school, but opening a new school would require hiring additional teachers, administrators and support staff, as well as the costs of running the gym and other facilities, Tucker says.

"I wanted to go to that school," says a disappointed Natalie Mercado, 14, who lives close by the new campus that remains fenced off. "I was really excited. ... It looked really good."

State Education Superintendent Tom Torlakson says he understands the district's decision, calling it "a shame" and evidence of "draconian" choices schools must make because of a state budget crisis that has forced the layoffs of 30,000 teachers and led to furlough days in many school systems.

"Schools are having to make many decisions which are both unpopular and seemingly illogical," he adds. "They've really been pushed into a corner."

Alvord school board member Ben Johnson says the decision to keep the new school vacant was excruciating but that it came down to a choice between laying off more employees or keeping the new high school closed. "Choosing between people losing jobs and opening the school site, I couldn't in my mind justify one more person out of a job," he says.

California has cut \$18 billion, one-third of state school funding, from money for kindergarten through high school over the past three years, Torlakson says. California was hit hard by the recession, and its unemployment rate, 11.7% in May, is the second highest in the nation after Nevada at 12.1%, according to the U.S. Department of Labor. April was the first month California's jobless rate fell below 12% since August 2009.

Once a national model for education, California has slipped to near the bottom of states ranked on per-pupil spending. The California Budget Project, an organization that does budget and policy analysis, estimates that California's per-student funding has fallen from \$8,464 in 2008 to \$7,358 this year. It says that in 2010, California was 44th of the states in per-student spending.

Torlakson, a Democrat elected to the non-partisan post of head of the state Department of Education last fall, is supporting Democratic Gov. Jerry Brown's plan to help close the state's multibillion-dollar budget shortfall by extending \$11 billion in vehicle taxes and other levies due to expire this year. The state Legislature, deadlocked over budget issues, has ignored Brown's call for a statewide vote on his tax plan.

Dan Schnur, director of the Jesse M. Unruh Institute of Politics at the University of Southern California, a veteran Republican political strategist, says the vacant school is emblematic of a budget misery that continues despite a recent unforeseen rise in state tax collections.

"Unfortunately, it's probably a very accurate indicator of the state of our finances right now," he says of the school.

Schnur says the reduction shouldn't be a surprise to local school officials: "This was

something people should have seen coming some time ago."

Tucker says that the decision to build the school was made in better economic times and that it would have been costly to back out of contracts and stop construction when the economy soured and the school district saw a \$25 million reduction in its \$130 million operating budget. He says that students and parents are disappointed but that most have been understanding.

Jo Loss, president of the California State PTA, says Hillcrest was the first new school to be mothballed by California's budget crisis. She calls it "a particularly poignant example" of declining public education.

"Parents are starting to see that their child is not getting the same education that perhaps their older child got," Loss says.

Tucker says the school district will spend \$1million to maintain the new building, and run air conditioning and other systems to keep it from deteriorating. The library and ball fields, including an artificial turf football field, will be made available for community use.

There's no guarantee the school will open in fall 2012, either, Tucker says: "We'll look at it on a year-by-year basis."

"It's definitely a sign of the times," he says. "This is a real-life example of what the current budget situation has done to K-through-12 education."

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Attachment J



Grossmont Union High School District

Proposition U Bond Financing Program Update

April 25, 2013





Prop. U Authorization

- \$417 million of bonds authorized by voters:
 - \$60 million issued in April 2009
 - \$80 million issued in August 2010
 - \$40 million issued in May 2011
- 56.65% voter approval on November 4, 2008
 - Secured by general obligation (“G.O.”) property tax
 - \$27.90 / \$100,000 maximum tax rate
- Originally assumed phased issuances over 8 years
- Original model generated \$40 million annually, with larger final issuance
- Originally assumed all 25 year issuances, except for final 32 year issuance
- Originally assumed the use of both Current Interest Bonds (“CIBs”) and Capital Appreciation Bonds (“CABs”)



Borrowing Constraints

- Approved maximum tax rate of \$27.90 / \$100,000 of A.V.
- District assessed valuation (“A.V.”):
 - Slowing A.V. growth has decreased the District’s ability to borrow
 - Program originally anticipated the following A.V. growth rates:
 - 2.0% in 2009/10
 - 2.0% in 2010/11
 - 3.0% in 2011/12
 - 4.0% in 2012/13
 - 5.0% in 2013/14 (and thereafter)
- Constraints:
 - Constrained early year revenues limit ability to issue current interest bonds
 - Higher future interest rates could further reduce ability to borrow
 - If passed, A.B. 182 will limit the final maturity of new bonds to 25 years, severely reducing the size of future issuances, further delaying the program



Summary of A.B. 182

- A.B. 182 introduced into the State Assembly by Members Buchanan and Hueso:
 - Limits final maturity to 25 years for all school district G.O. Bonds
 - Precludes schools districts and community colleges from issuing bonds through Government Code
 - Requires a 4:1 principal to debt service payback ratio, or less, for each bond series
 - 10-year call provision required for all bonds having a final maturity that is more than 10 years after issuance
 - G-17 disclosure submitted to the governing board
 - Requires analysis to be submitted to the governing board describing:
 - Overall cost of the CABS
 - Comparison to the overall cost of CIBs
 - Reason CABS are being recommended

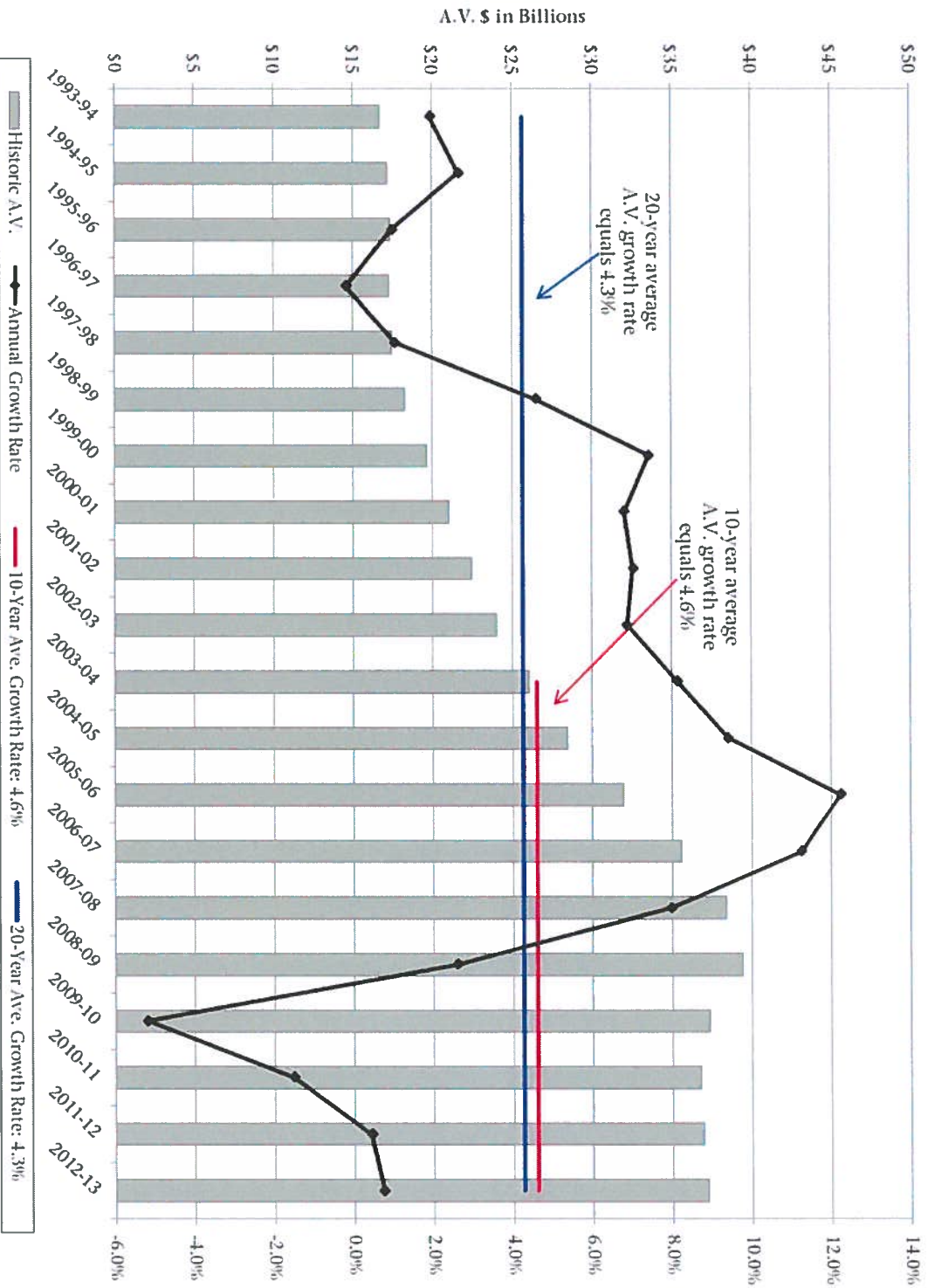


Assessed Valuation Growth

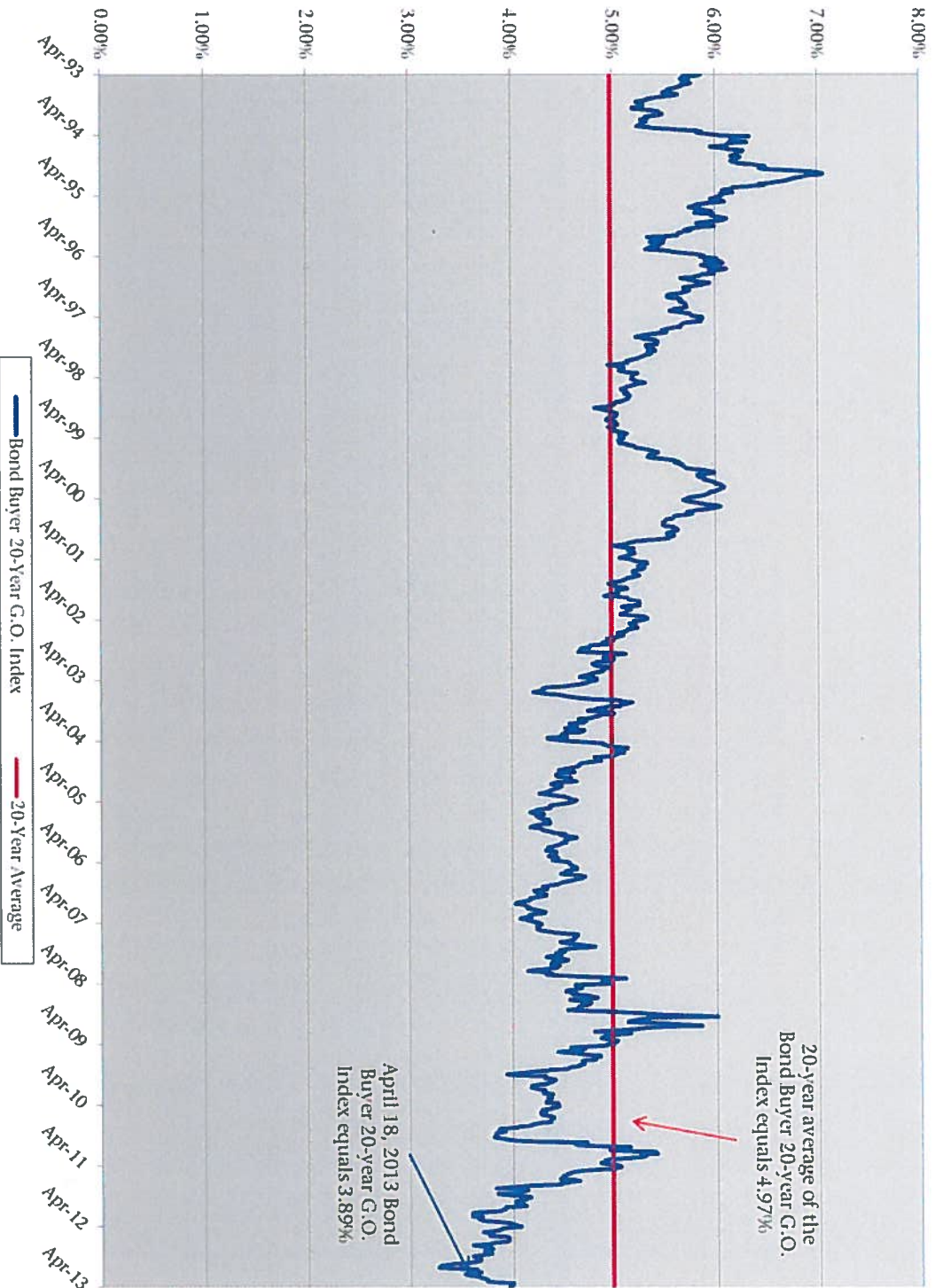
- A.V. growth is a key component of the District's ability to borrow
- Recent real estate turmoil severely impacted Prop. U
- Actual A.V. growth rates (secured + unsecured):
 - A.V. grew by 2.6% in 2008/09
 - A.V. **declined by 5.2%** in 2009/10
 - A.V. **declined by 1.5%** in 2010/11
 - A.V. grew by 0.4% in 2011/12
 - A.V. grew by 0.8% in 2012/13
- Future A.V. growth rate assumptions:
 - 1.0% in 2013/14
 - 2.0% in 2014/15
 - 3.0% in 2015/16
 - 4.0% in 2016/17
 - 5.0% in 2017/18 (and thereafter)



Historic District A.V. Growth (Secured + Unsecured)



Historic Borrowing Rates



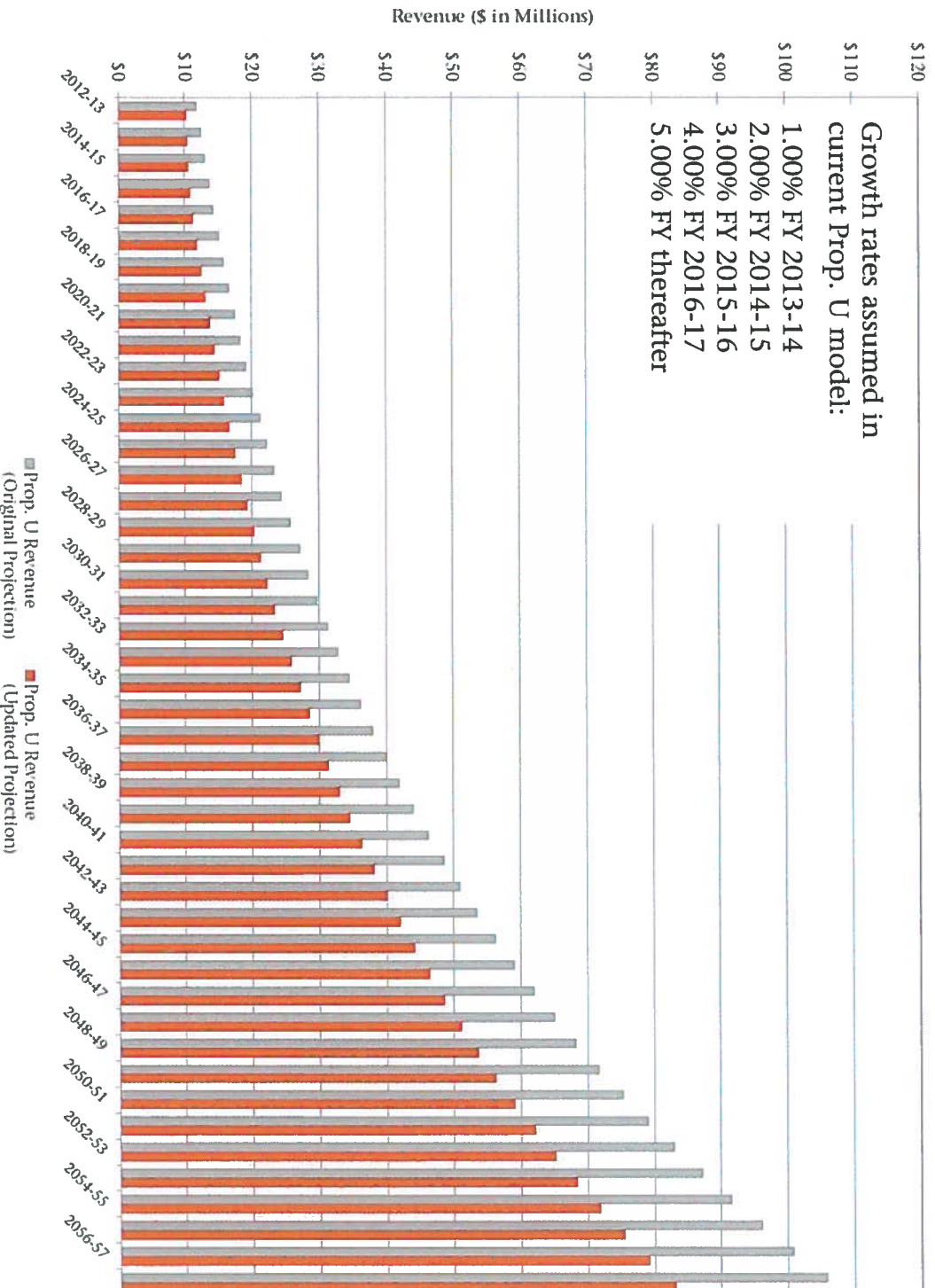


Projected Prop. U Tax Revenues

FISCAL YEAR ENDING	A.V. FOR RATE SETTING	PROJECTED A.V. % INCREASE FROM PRIOR	PROPOSED TAX RATE	PROJECTED PROP. U TAXES GENERATED	ORIGINALLY PROJECTED TAXES	REDUCTION IN PROP. U TAXES GENERATED
6/30/2013	\$36,528,112,185	0.75%	0.02790%	\$10,191,343	\$12,376,830	(\$2,185,487)
6/30/2014	36,893,503,526	1.00%	0.02790%	10,293,287	12,995,567	(2,702,279)
6/30/2015	37,631,373,597	2.00%	0.02790%	10,499,153	13,645,238	(3,146,085)
6/30/2016	38,760,200,133	3.00%	0.02790%	10,814,096	14,327,391	(3,513,295)
6/30/2017	40,310,374,207	4.00%	0.02790%	11,246,594	15,043,649	(3,797,054)
6/30/2018	42,325,535,003	5.00%	0.02790%	11,808,824	15,795,718	(3,986,893)
6/30/2019	44,441,446,680	5.00%	0.02790%	12,399,164	16,585,388	(4,186,224)
6/30/2020	46,663,146,639	5.00%	0.02790%	13,019,018	17,414,539	(4,395,521)
6/30/2021	48,995,924,150	5.00%	0.02790%	13,669,863	18,285,145	(4,615,282)
6/30/2022	51,445,332,939	5.00%	0.02790%	14,353,248	19,199,279	(4,846,032)
6/30/2023	54,017,204,419	5.00%	0.02790%	15,070,800	20,159,118	(5,088,318)
6/30/2024	56,717,661,570	5.00%	0.02790%	15,824,228	21,166,946	(5,342,718)
6/30/2025	59,553,133,517	5.00%	0.02790%	16,615,324	22,225,163	(5,609,839)
6/30/2026	62,530,370,839	5.00%	0.02790%	17,445,973	23,336,288	(5,890,314)
6/30/2027	65,656,461,640	5.00%	0.02790%	18,318,153	24,502,966	(6,184,814)
6/30/2028	68,938,848,426	5.00%	0.02790%	19,233,939	25,727,976	(6,494,038)
6/30/2029	72,385,345,826	5.00%	0.02790%	20,195,511	27,014,234	(6,818,722)
6/30/2030	76,004,159,195	5.00%	0.02790%	21,205,160	28,364,801	(7,159,641)
6/30/2031	79,803,904,154	5.00%	0.02790%	22,265,289	29,782,895	(7,517,605)
6/30/2032	83,793,627,101	5.00%	0.02790%	23,378,422	31,271,889	(7,893,467)
6/30/2033	87,982,826,750	5.00%	0.02790%	24,547,209	32,835,331	(8,288,122)
6/30/2034	92,381,476,747	5.00%	0.02790%	25,774,432	34,476,942	(8,702,510)
6/30/2035	97,000,049,418	5.00%	0.02790%	27,063,014	36,200,630	(9,137,616)
6/30/2036	101,849,540,699	5.00%	0.02790%	28,416,022	38,010,499	(9,594,477)
6/30/2037	106,941,496,320	5.00%	0.02790%	29,836,677	39,910,858	(10,074,181)
6/30/2038	112,288,039,293	5.00%	0.02790%	31,328,363	41,906,232	(10,577,869)
6/30/2039	117,901,898,779	5.00%	0.02790%	32,894,630	44,001,372	(11,106,742)
6/30/2040	123,796,440,389	5.00%	0.02790%	34,539,207	46,201,265	(11,662,058)
6/30/2041	129,985,698,013	5.00%	0.02790%	36,266,010	48,511,149	(12,245,139)
6/30/2042	136,484,407,231	5.00%	0.02790%	38,079,150	50,936,524	(12,857,374)
6/30/2043	143,308,040,396	5.00%	0.02790%	39,982,943	53,483,163	(13,500,220)
6/30/2044	150,472,843,475	5.00%	0.02790%	41,981,923	56,157,131	(14,175,208)
6/30/2045	157,995,874,729	5.00%	0.02790%	44,080,849	58,964,794	(14,883,945)
6/30/2046	165,895,045,327	5.00%	0.02790%	46,284,718	61,912,836	(15,628,118)
6/30/2047	174,189,161,993	5.00%	0.02790%	48,598,776	65,008,276	(16,409,500)
6/30/2048	182,897,971,780	5.00%	0.02790%	51,028,534	68,258,484	(17,229,950)
6/30/2049	192,042,209,090	5.00%	0.02790%	53,579,776	71,671,198	(18,091,422)
6/30/2050	201,643,645,040	5.00%	0.02790%	56,258,577	75,254,544	(18,995,967)
6/30/2051	211,725,139,297	5.00%	0.02790%	59,071,314	79,017,053	(19,945,739)
6/30/2052	222,310,694,507	5.00%	0.02790%	62,024,684	82,967,683	(20,942,999)
6/30/2053	233,425,513,443	5.00%	0.02790%	65,125,718	87,115,840	(21,990,122)
6/30/2054	245,096,059,010	5.00%	0.02790%	68,381,800	91,471,400	(23,089,600)
6/30/2055	257,350,117,253	5.00%	0.02790%	71,800,683	96,044,734	(24,244,051)
6/30/2056	270,216,863,514	5.00%	0.02790%	75,390,505	100,846,729	(25,456,224)
6/30/2057	283,726,931,896	5.00%	0.02790%	79,159,814	105,888,820	(26,729,006)
6/30/2058	297,912,488,201	5.00%	0.02790%	83,117,584	111,183,010	(28,065,426)



Projected Prop. U Tax Revenues





Original Estimated Issuance Schedule

Series	Issuance Date	Est. Amount	Est. Maturity
Series A	April 2009	\$40 mm	August 1, 2033 (24 years)
Series B	August 2010	\$40 mm	August 1, 2035 (25 years)
Series C	August 2011	\$40 mm	August 1, 2036 (25 years)
Series D	August 2012	\$40 mm	August 1, 2037 (25 years)
Series E	August 2013	\$40 mm	August 1, 2038 (25 years)
Series F	August 2014	\$40 mm	August 1, 2039 (25 years)
Series G	August 2015	\$40 mm	August 1, 2040 (25 years)
Series H	August 2016	\$137 mm	August 1, 2048 (32 years)

This original issuance schedule was presented during the January 2009 Board workshop and was included to demonstrate the negative impact that lower than expected A.V. growth rates have had on the Prop. U Program. Based on current A.V. projections, debt will be issued at a much slower pace than originally expected.

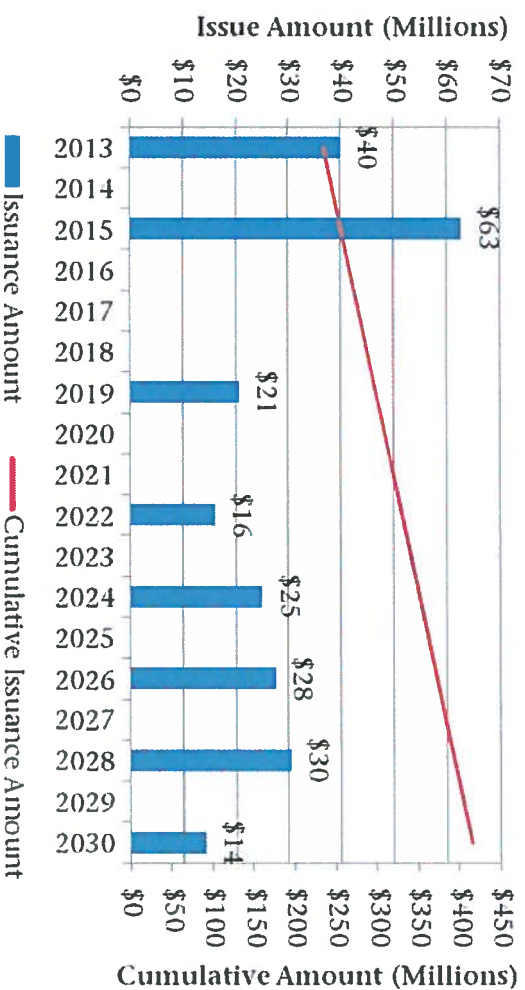
**Issuance Strategy I.
Maximum Up-Front Proceeds
(Assumes Conformance with A.B. 182)**



Maximum Up-Front Proceeds

Bond Issue	Term	Par Amount	Debt Service	Cumulative	Payback Ratio
Series 2009 A	20 Years	\$60,000,000	\$113,959,944	\$60,000,000	1.90x
Series 2010 B	32 Years	80,000,000	206,149,570	140,000,000	2.58x
Series 2011 C	23 Years	15,000,000	30,497,943	155,000,000	2.03x
Series 2011 D	13 Years	25,000,000	26,592,079	180,000,000	1.06x
Series E (2013)	25 Years	40,000,000	79,273,778	220,000,000	1.98x
Series F (2015)	25 Years	62,826,536	167,547,695	282,826,536	2.67x
Series G (2019)	24 Years	20,789,876	81,248,553	303,616,412	3.91x
Series H (2022)	23 Years	16,127,144	61,159,947	319,743,556	3.79x
Series I (2024)	23 Years	25,019,456	94,883,494	344,763,012	3.79x
Series J (2026)	23 Years	27,584,050	104,608,310	372,347,062	3.79x
Series K (2028)	23 Years	30,412,311	115,329,891	402,759,373	3.79x
Series L (2030)	22 Years	14,230,288	52,375,000	416,989,661	3.68x
Total:		\$416,989,661	\$1,133,626,204		

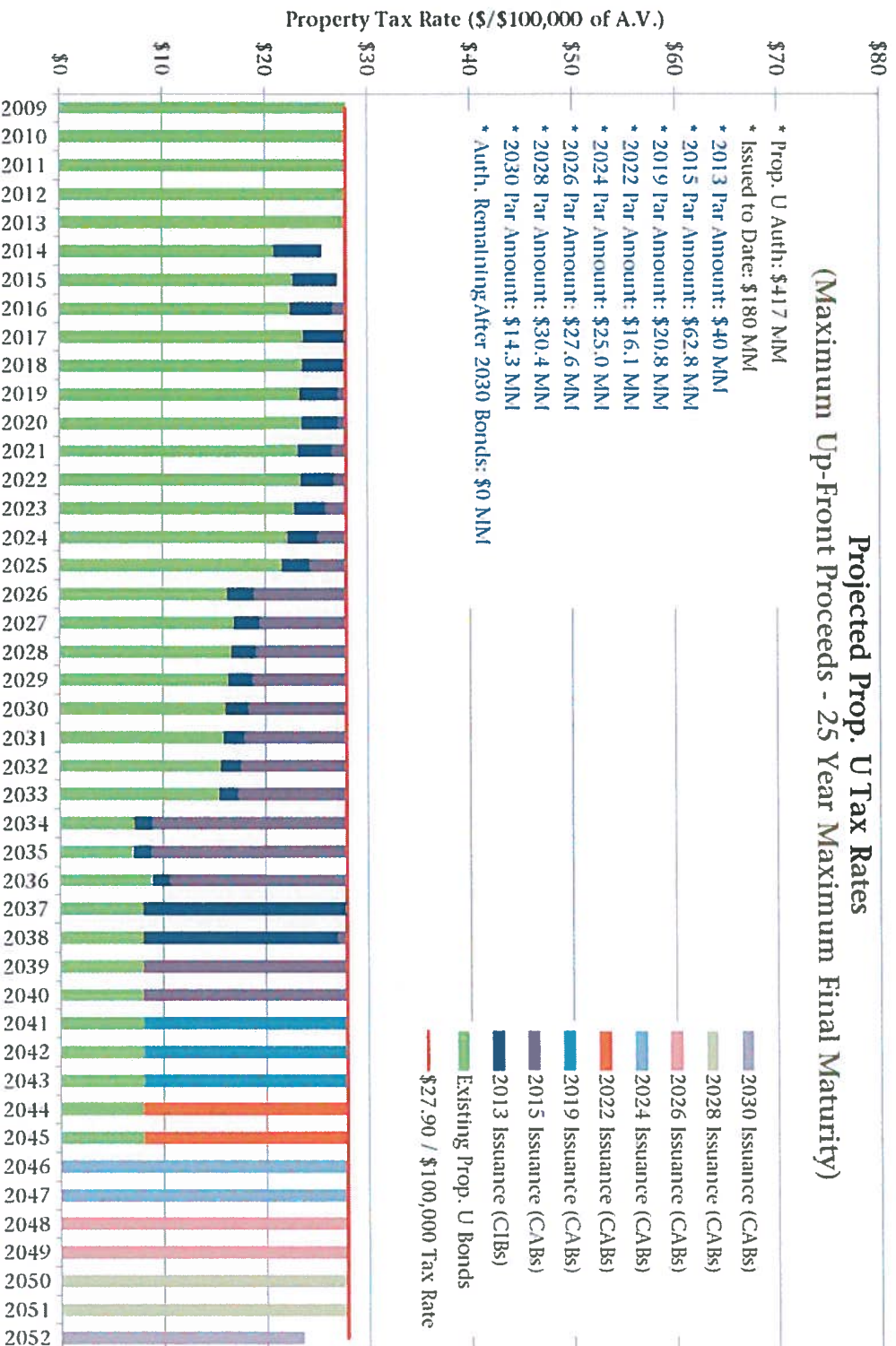
Issuance Schedule





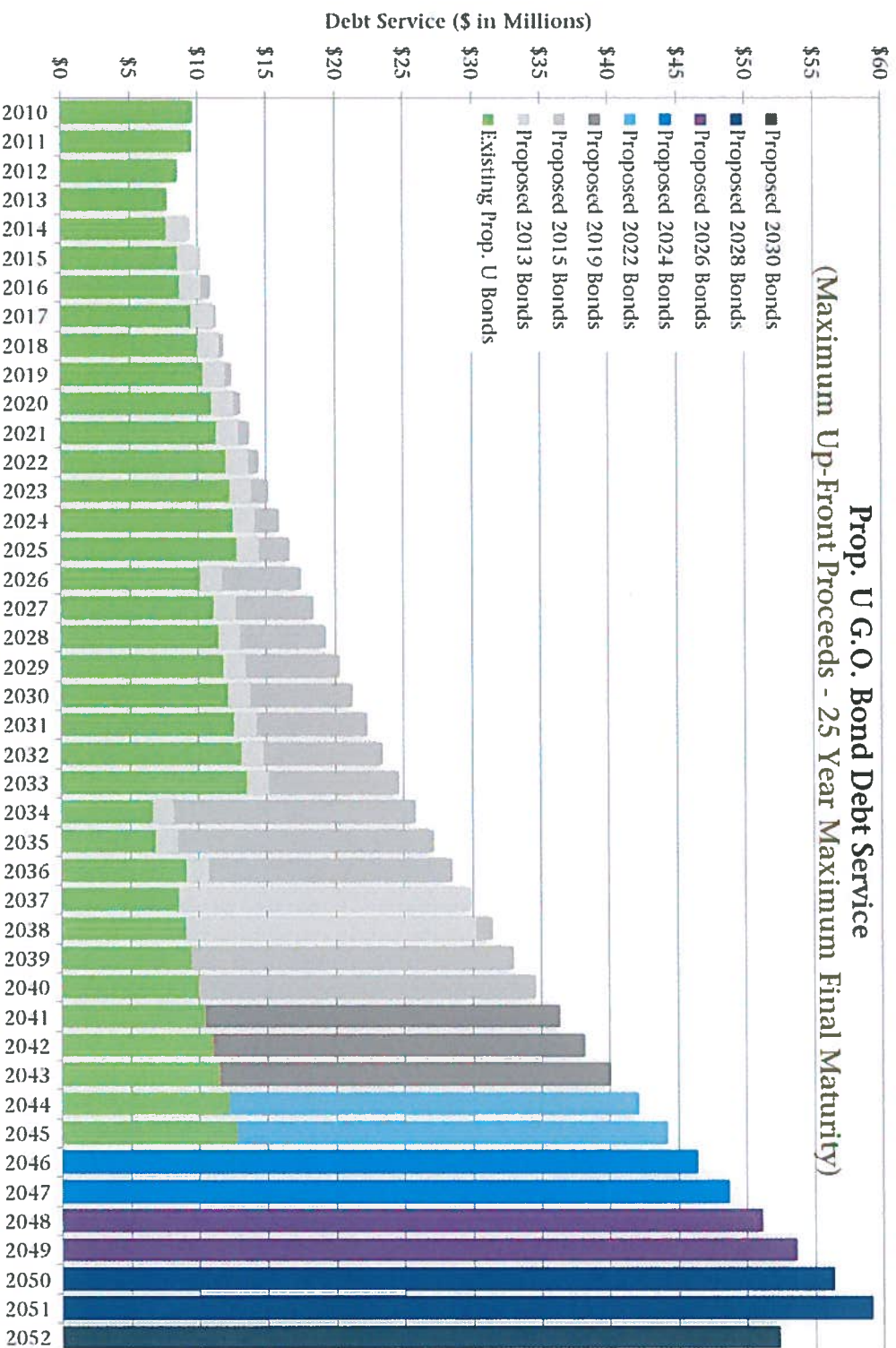
Maximum Up-Front Proceeds

Projected Prop. U Tax Rates
(Maximum Up-Front Proceeds - 25 Year Maximum Final Maturity)





Maximum Up-Front Proceeds





Maximum Up-Front Proceeds

FORM YEAR ENDING	ISSUES AVAILABLE FOR NEW PROJ. I/D/S	PROJECTED 2013 INSURANCE	PROJECTED 2015 INSURANCE	PROJECTED 2019 INSURANCE	PROJECTED 2022 INSURANCE	PROJECTED 2024 INSURANCE	PROJECTED 2026 INSURANCE	PROJECTED 2028 INSURANCE	PROJECTED 2030 INSURANCE	CAPACITY REMAINING AFTER I/D/S	TOTAL ANNUAL PROJ. I/D/S
6/30/2014	2,563,906	1,657,778	-	-	-	-	-	-	-	906,128	1,657,778
6/30/2015	1,928,772	1,600,000	-	-	-	-	-	-	-	328,772	1,600,000
6/30/2016	2,099,515	1,600,000	-499,515	-	-	-	-	-	-	-	2,099,515
6/30/2017	1,639,813	1,600,000	39,813	-	-	-	-	-	-	-	1,639,813
6/30/2018	1,769,293	1,600,000	169,293	-	-	-	-	-	-	-	1,769,293
6/30/2019	1,971,632	1,600,000	371,632	-	-	-	-	-	-	-	1,971,632
6/30/2020	1,988,987	1,600,000	388,987	-	-	-	-	-	-	-	1,988,987
6/30/2021	2,279,082	1,600,000	679,082	-	-	-	-	-	-	-	2,279,082
6/30/2022	2,235,917	1,600,000	635,917	-	-	-	-	-	-	-	2,235,917
6/30/2023	2,721,719	1,600,000	1,121,719	-	-	-	-	-	-	-	2,721,719
6/30/2024	3,205,946	1,600,000	1,605,946	-	-	-	-	-	-	-	3,205,946
6/30/2025	3,724,293	1,600,000	2,124,293	-	-	-	-	-	-	-	3,724,293
6/30/2026	7,233,880	1,600,000	5,633,880	-	-	-	-	-	-	-	7,233,880
6/30/2027	7,146,559	1,600,000	5,546,559	-	-	-	-	-	-	-	7,146,559
6/30/2028	7,718,582	1,600,000	6,118,582	-	-	-	-	-	-	-	7,718,582
6/30/2029	8,310,080	1,600,000	6,710,080	-	-	-	-	-	-	-	8,310,080
6/30/2030	8,929,817	1,600,000	7,329,817	-	-	-	-	-	-	-	8,929,817
6/30/2031	9,574,070	1,600,000	7,974,070	-	-	-	-	-	-	-	9,574,070
6/30/2032	10,243,241	1,600,000	8,643,241	-	-	-	-	-	-	-	10,243,241
6/30/2033	10,939,065	1,600,000	9,339,065	-	-	-	-	-	-	-	10,939,065
6/30/2034	19,090,301	1,600,000	17,490,301	-	-	-	-	-	-	-	19,090,301
6/30/2035	20,117,758	1,600,000	18,517,758	-	-	-	-	-	-	-	20,117,758
6/30/2036	19,237,534	1,600,000	17,637,534	-	-	-	-	-	-	2,927	19,237,534
6/30/2037	21,202,927	2,200,000	-	-	-	-	-	-	-	-	21,200,000
6/30/2038	22,264,125	2,216,000	1,048,125	-	-	-	-	-	-	-	22,264,125
6/30/2039	23,377,630	-	23,377,630	-	-	-	-	-	-	-	23,377,630
6/30/2040	24,544,857	-	24,544,857	-	-	-	-	-	-	-	24,544,857
6/30/2041	25,772,647	-	25,772,647	-	-	-	-	-	-	-	25,772,647
6/30/2042	27,060,000	-	27,060,000	-	-	-	-	-	-	-	27,060,000
6/30/2043	28,415,906	-	28,415,906	-	-	-	-	-	-	-	28,415,906
6/30/2044	29,833,386	-	29,833,386	-	-	-	-	-	-	-	29,833,386
6/30/2045	31,326,562	-	31,326,562	-	-	-	-	-	-	-	31,326,562
6/30/2046	46,294,718	-	46,294,718	-	-	-	-	-	-	-	46,294,718
6/30/2047	48,598,776	-	48,598,776	-	-	-	-	-	-	-	48,598,776
6/30/2048	51,028,534	-	51,028,534	-	-	-	-	-	-	-	51,028,534
6/30/2049	53,579,776	-	53,579,776	-	-	-	-	-	-	-	53,579,776
6/30/2050	56,258,577	-	56,258,577	-	-	-	-	-	-	-	56,258,577
6/30/2051	59,071,314	-	59,071,314	-	-	-	-	-	-	-	59,071,314
6/30/2052	62,024,684	-	-	-	-	-	-	-	-	52,300,000	52,300,000
Total:	\$767,314,180	\$79,273,778	\$167,547,695	\$81,248,553	\$61,159,947	\$94,883,494	\$104,608,310	\$115,329,891	\$52,375,000	114,324,684	\$756,351,668
Principal:	\$40,000,000	\$62,826,536	\$20,789,876	\$16,122,144	\$25,019,456	\$27,584,050	\$30,412,311	\$14,230,288			\$236,989,659
Repayment Ratio:	1.98x	2.67x	3.91x	3.79x	3.79x	3.79x	3.79x	3.68x			



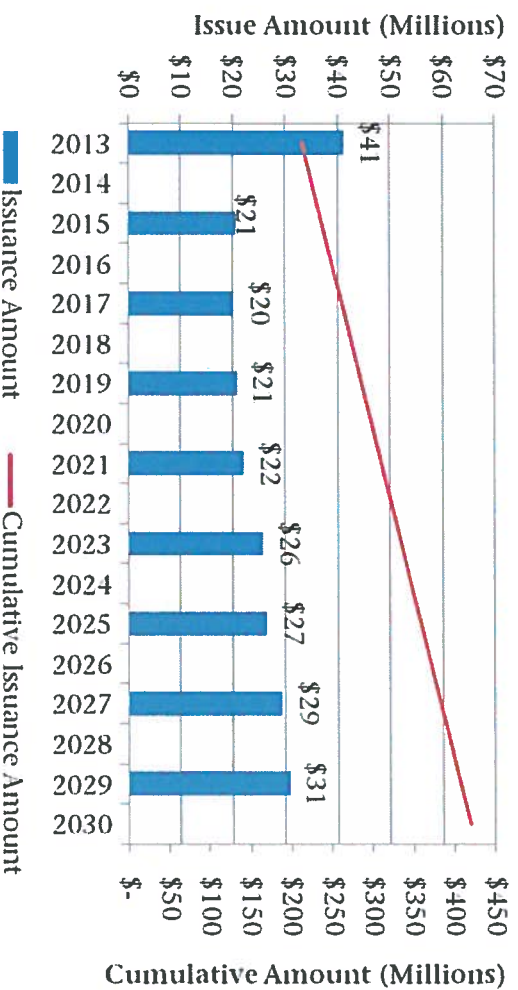
**Issuance Strategy II.
Bi-Annual Issuance Approach
(Assumes Conformance with A.B. 182)**



Bi-Annual Issuance Approach

Bond Issue	Term	Par Amount	Debt Service	Cumulative	Payback Ratio
Series 2009 A	20 Years	\$60,000,000	\$113,959,944	\$60,000,000	1.90x
Series 2010 B	32 Years	80,000,000	206,149,570	140,000,000	2.58x
Series 2011 C	23 Years	15,000,000	30,497,943	155,000,000	2.03x
Series 2011 D	13 Years	25,000,000	26,592,079	180,000,000	1.06x
Series E (2013)	25 Years	41,225,000	80,504,926	221,225,000	1.95x
Series F (2015)	15 Years	20,548,169	35,645,297	241,773,169	1.73x
Series G (2017)	18 Years	20,114,980	51,276,494	261,888,149	2.55x
Series H (2019)	21 Years	20,796,668	61,083,975	282,684,817	2.94x
Series I (2021)	21 Years	22,017,966	72,377,504	304,702,783	3.29x
Series J (2023)	22 Years	25,798,508	89,575,853	330,501,291	3.47x
Series K (2025)	22 Years	26,543,008	94,883,494	357,044,299	3.57x
Series L (2027)	22 Years	29,263,773	104,608,310	386,308,072	3.57x
Series M (2029)	22 Years	30,688,400	111,258,577	416,996,472	3.63x
Total:		\$416,996,472	\$1,078,413,966		

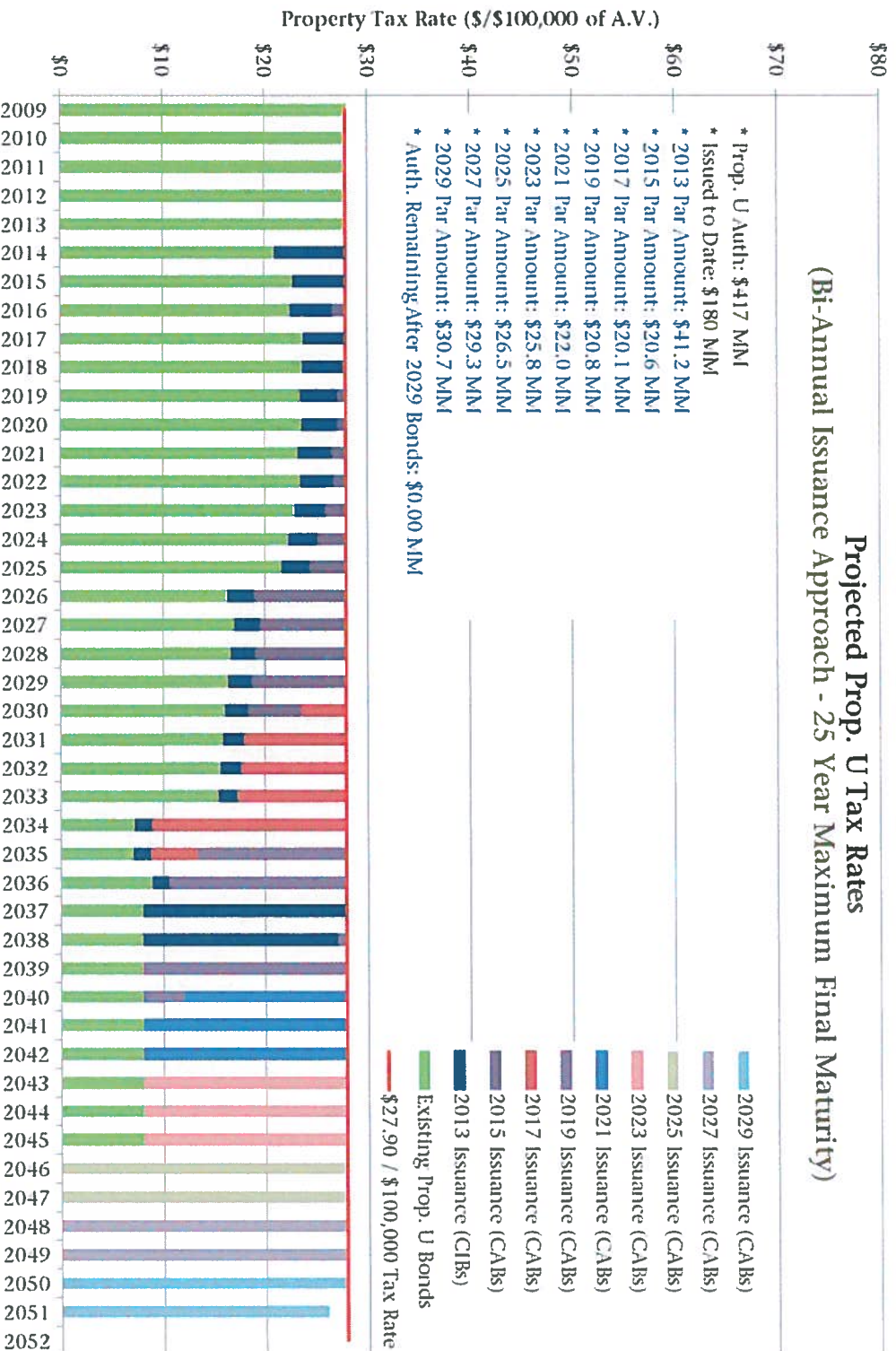
Issuance Schedule



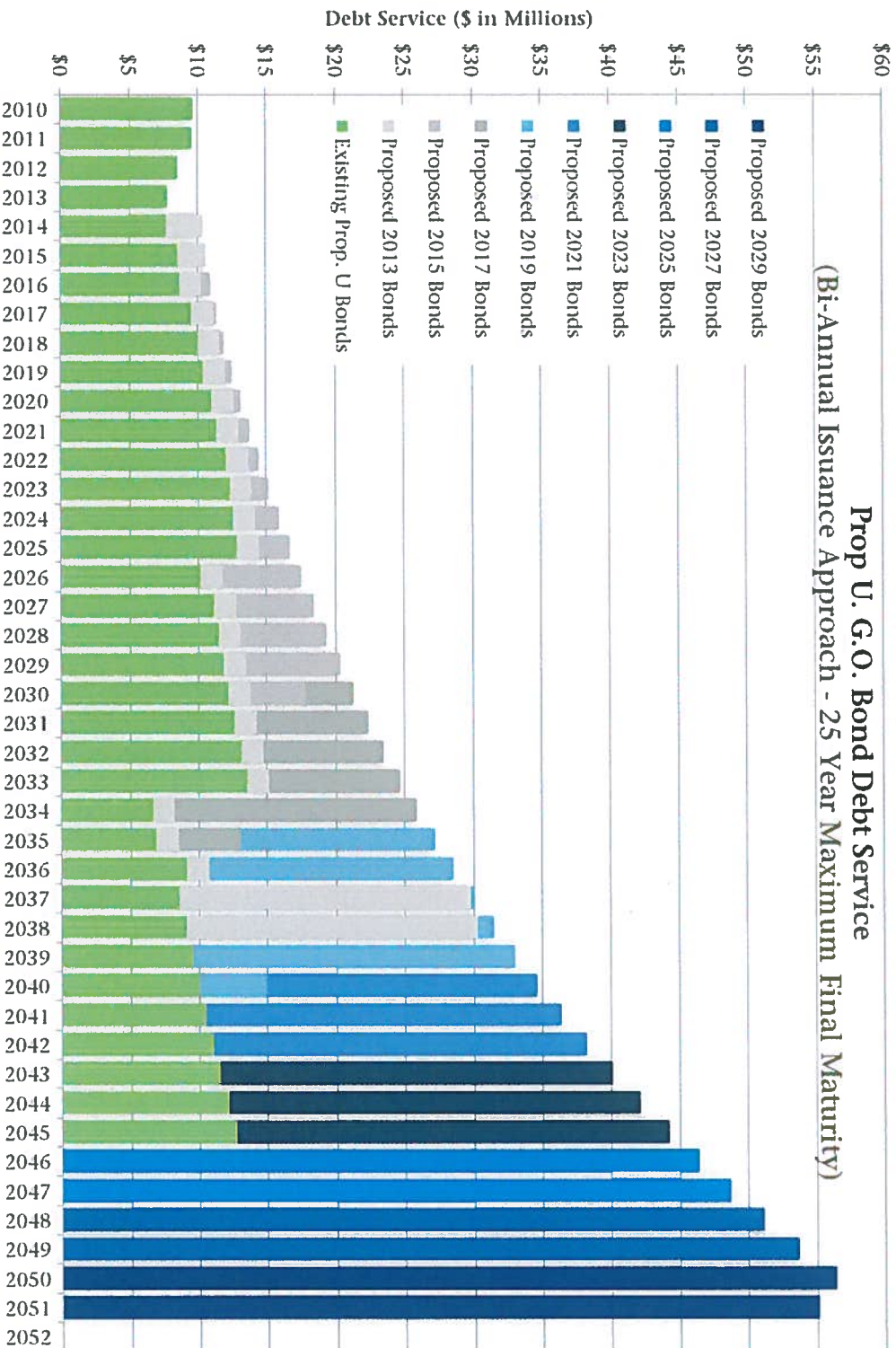


Bi-Annual Issuance Approach

Projected Prop. U Tax Rates
(Bi-Annual Issuance Approach - 25 Year Maximum Final Maturity)



Bi-Annual Issuance Approach





Bi-Annual Issuance Approach

FISCAL YEAR ENDING	FUNDS AVAILABLE FOR NEW PROP. U/D/S	PROJECTED 2013 ISSUANCE	PROJECTED 2015 ISSUANCE	PROJECTED 2017 ISSUANCE	PROJECTED 2019 ISSUANCE	PROJECTED 2021 ISSUANCE	PROJECTED 2023 ISSUANCE	PROJECTED 2025 ISSUANCE	PROJECTED 2027 ISSUANCE	PROJECTED 2029 ISSUANCE	CAPACITY REMAINING AFTER D/S	TOTAL ANNUAL PROP. U/D/S
6/30/2014	2,563,906	2,562,464	-	-	-	-	-	-	-	-	1,443	2,562,464
6/30/2015	1,928,772	1,926,463	-	-	-	-	-	-	-	-	2,309	1,926,463
6/30/2016	2,099,515	1,600,000	499,515	-	-	-	-	-	-	-	-	2,099,515
6/30/2017	1,639,813	1,600,000	39,813	-	-	-	-	-	-	-	-	1,639,813
6/30/2018	1,769,293	1,600,000	169,293	-	-	-	-	-	-	-	-	1,769,293
6/30/2019	1,971,632	1,600,000	371,632	-	-	-	-	-	-	-	-	1,971,632
6/30/2020	1,988,987	1,600,000	388,987	-	-	-	-	-	-	-	-	1,988,987
6/30/2021	2,279,082	1,600,000	679,082	-	-	-	-	-	-	-	-	2,279,082
6/30/2022	2,235,917	1,600,000	635,917	-	-	-	-	-	-	-	-	2,235,917
6/30/2023	2,721,719	1,600,000	1,121,719	-	-	-	-	-	-	-	-	2,721,719
6/30/2024	3,205,946	1,600,000	1,605,946	-	-	-	-	-	-	-	-	3,205,946
6/30/2025	3,724,293	1,600,000	2,124,293	-	-	-	-	-	-	-	-	3,724,293
6/30/2026	7,233,880	1,600,000	5,633,880	-	-	-	-	-	-	-	-	7,233,880
6/30/2027	7,146,559	1,600,000	5,546,559	-	-	-	-	-	-	-	-	7,146,559
6/30/2028	7,718,582	1,600,000	6,118,582	-	-	-	-	-	-	-	-	7,718,582
6/30/2029	8,310,080	1,600,000	6,710,080	-	-	-	-	-	-	-	-	8,310,080
6/30/2030	8,929,817	1,600,000	4,000,000	3,329,817	-	-	-	-	-	-	-	8,929,817
6/30/2031	9,574,070	1,600,000	-	7,974,070	-	-	-	-	-	-	-	9,574,070
6/30/2032	10,243,241	1,600,000	-	8,643,241	-	-	-	-	-	-	-	10,243,241
6/30/2033	10,939,065	1,600,000	-	9,339,065	-	-	-	-	-	-	-	10,939,065
6/30/2034	19,090,301	1,600,000	-	17,490,301	-	-	-	-	-	-	-	19,090,301
6/30/2035	20,117,758	1,600,000	-	4,500,000	14,017,758	-	-	-	-	-	-	20,117,758
6/30/2036	19,237,534	1,600,000	-	-	17,637,534	-	-	-	-	-	-	19,237,534
6/30/2037	21,202,927	21,200,000	-	-	2,927	-	-	-	-	-	-	21,202,927
6/30/2038	22,264,125	21,216,000	-	-	1,048,125	-	-	-	-	-	-	22,264,125
6/30/2039	23,377,630	-	-	-	23,377,630	-	-	-	-	-	-	23,377,630
6/30/2040	24,544,857	-	-	-	5,000,000	19,544,857	-	-	-	-	-	24,544,857
6/30/2041	25,772,647	-	-	-	-	25,772,647	-	-	-	-	-	25,772,647
6/30/2042	27,060,000	-	-	-	-	27,060,000	-	-	-	-	-	27,060,000
6/30/2043	28,415,906	-	-	-	-	28,415,906	-	-	-	-	-	28,415,906
6/30/2044	29,833,386	-	-	-	-	29,833,386	-	-	-	-	-	29,833,386
6/30/2045	31,326,562	-	-	-	-	31,326,562	-	-	-	-	-	31,326,562
6/30/2046	46,284,718	-	-	-	-	46,284,718	-	-	-	-	-	46,284,718
6/30/2047	48,598,776	-	-	-	-	48,598,776	-	-	-	-	-	48,598,776
6/30/2048	51,028,534	-	-	-	-	51,028,534	-	-	-	-	-	51,028,534
6/30/2049	53,579,776	-	-	-	-	53,579,776	-	-	-	-	-	53,579,776
6/30/2050	56,258,577	-	-	-	-	56,258,577	-	-	-	-	-	56,258,577
6/30/2051	59,071,314	-	-	-	-	59,071,314	-	-	-	-	-	59,071,314
6/30/2052	62,024,684	-	-	-	-	62,024,684	-	-	-	-	-	62,024,684
Total:	\$767,314,180	\$80,504,926	\$35,645,297	\$51,276,494	\$61,083,975	\$72,377,504	\$89,575,853	\$94,883,494	\$104,608,310	\$111,258,577	\$66,099,750	\$701,214,430
Principal:	\$41,225,000	\$20,548,169	\$20,114,980	\$20,796,668	\$22,017,966	\$25,798,508	\$26,543,008	\$29,263,773	\$30,688,400	\$36,099,750	\$236,996,472	
Repayment Ratio:	1.95x	1.73x	2.55x	2.94x	3.29x	3.47x	3.57x	3.57x	3.63x			





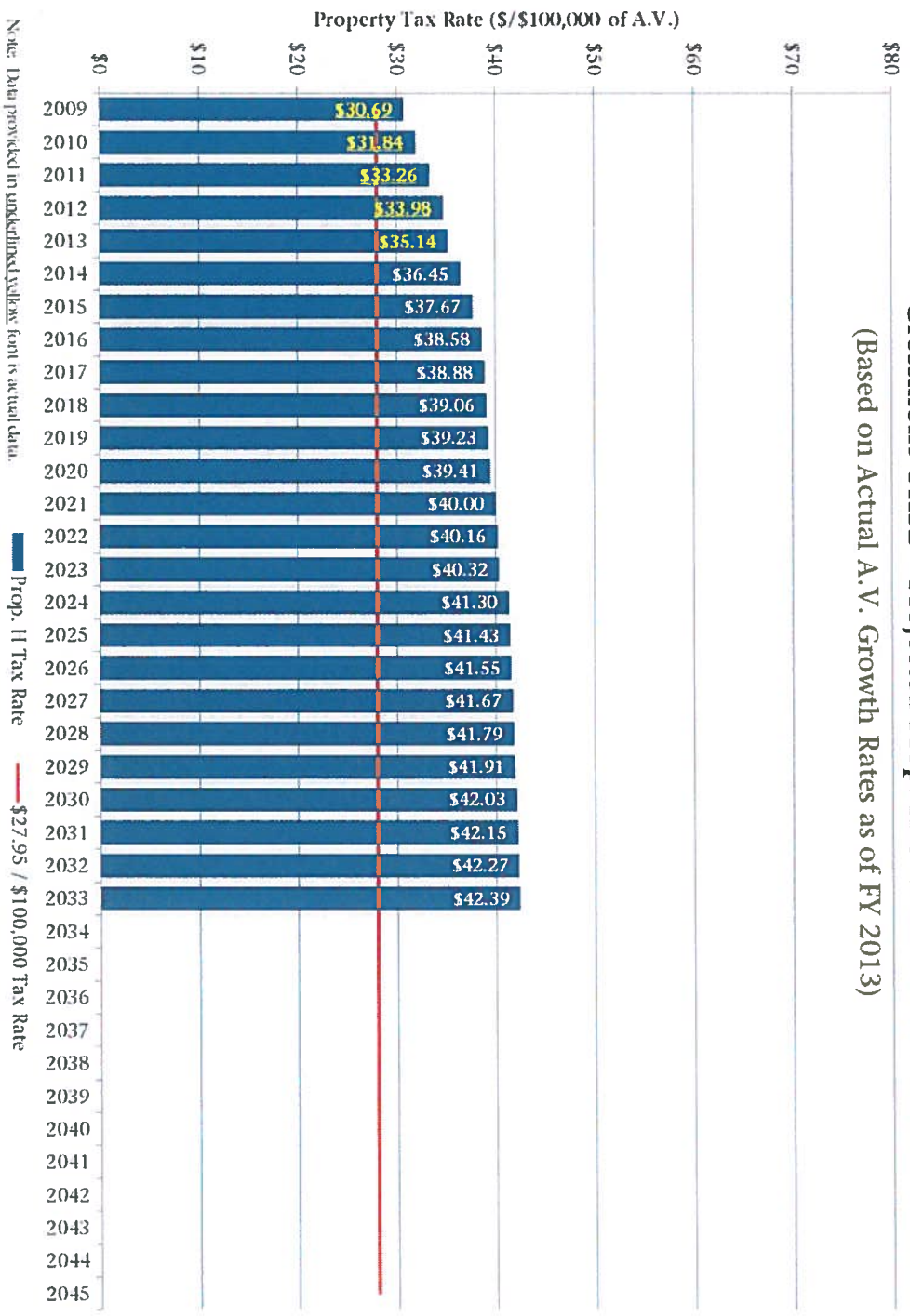
Additional Information



Prop. H Tax Rate Summary

Grossmont UHSD - Projected Prop. H G.O. Bond Tax Rates

(Based on Actual A.V. Growth Rates as of FY 2013)



Note: Data provided in underlined yellow font is actual data.

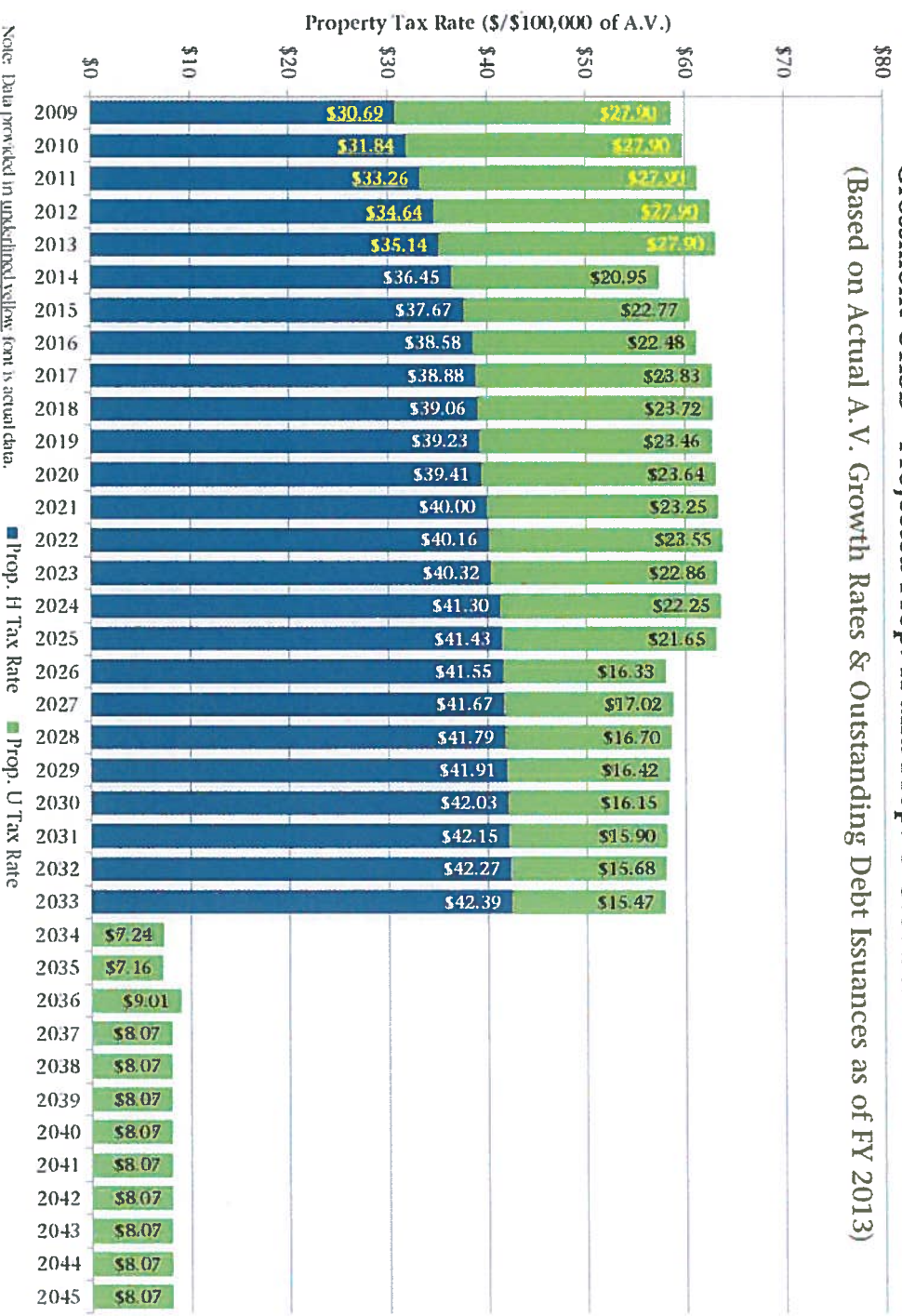
Prop. H Tax Rate — \$27.95 / \$100,000 Tax Rate



Prop. H & Prop. U Tax Rate Summary



Grossmont UHSD - Projected Prop. H and Prop. U G.O. Bond Tax Rates
 (Based on Actual A.V. Growth Rates & Outstanding Debt Issuances as of FY 2013)



Note: Data provided in underlined yellow font is actual data.

■ Prop. H Tax Rate ■ Prop. U Tax Rate



Estimated Prop. H Tax Revenues

FISCAL YEAR ENDING	A.V. FOR RATE SETTING	PROJECTED A.V. FROM PRIOR YEAR	REQUIRED TAX RATE	PROJECTED PROP. H TAXES GENERATED	ESTIMATED CASH BALANCE	ACTUAL PROP. H G. O. BOND DEBT SERVICE
6/30/2013	\$36,528,112,185		0.75%	\$12,836,798	\$0	\$12,836,798
6/30/2014	36,893,503,526		1.00%	13,448,434	0	13,448,434
6/30/2015	37,631,373,597		2.00%	14,175,026	0	14,175,026
6/30/2016	38,760,200,133		3.00%	14,954,222	0	14,954,222
6/30/2017	40,310,374,207		4.00%	15,673,873	0	15,673,873
6/30/2018	42,325,535,003		5.00%	16,533,538	0	16,533,538
6/30/2019	44,441,446,680		5.00%	17,434,538	0	17,434,538
6/30/2020	46,663,146,639		5.00%	18,388,938	0	18,388,938
6/30/2021	48,995,924,150		5.00%	19,596,563	0	19,596,563
6/30/2022	51,445,332,939		5.00%	20,659,000	0	20,659,000
6/30/2023	54,017,204,419		5.00%	21,781,313	0	21,781,313
6/30/2024	56,717,661,570		5.00%	23,426,750	0	23,426,750
6/30/2025	59,553,133,517		5.00%	24,671,750	0	24,671,750
6/30/2026	62,530,370,839		5.00%	25,981,750	0	25,981,750
6/30/2027	65,656,461,640		5.00%	27,356,750	0	27,356,750
6/30/2028	68,938,848,426		5.00%	28,806,750	0	28,806,750
6/30/2029	72,385,345,826		5.00%	30,336,750	0	30,336,750
6/30/2030	76,004,159,195		5.00%	31,941,750	0	31,941,750
6/30/2031	79,803,904,154		5.00%	33,636,750	0	33,636,750
6/30/2032	83,793,627,101		5.00%	35,416,750	0	35,416,750
6/30/2033	87,982,826,750		5.00%	37,296,750	0	37,296,750
6/30/2034	92,381,476,747		5.00%	0	0	0



Prop. H Payback Ratio

Payback Ratio Calculations (Election of 2004 - Prop. H)

Election/Series	Total Principal Issued	Total P&I Repayment	Payback Ratio	Bond Type
2004/2008	\$88,159,578	\$206,834,036	2.35x	CIBs and CABS
2004/2006	124,999,225	255,223,058	2.04x	CIBs and CABS
2004/2004	60,841,197	113,470,740	1.87x	CIBs and CABS
	\$274,000,000	\$575,527,834	2.10x	

Prop. U Payback Ratio



Payback Ratio Calculations (Election of 2008 - Prop. U)

Election/Series	Total Principal Issued	Total P&I Repayment	Payback Ratio	Bond Type
2008/2009	\$60,000,000	\$113,959,944	1.90x	CIBs
2008/2010	80,000,000	206,149,570	2.58x	CIBs
2008/2011C	15,000,000	30,497,943	2.03x	CIBs
2008/2011D	25,000,000	26,592,079	1.06x	QSCBs
Total	\$180,000,000	\$377,199,536	2.10x	

Note: Debt service for the 2011D Bonds reflects required annual sinking fund deposits and interest payments reduced by the expected Subsidy Payments, assuming receipt of those Subsidy Payments from the U.S. Treasury within six months following the related 2011D Bonds interest payment.

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Attachment K

Unfunded Approvals (Lack of Authority) as of
May 22, 2013 SAB

County	School District	Application Number	Program	Approval	Received Date	SAB Unfunded Approval	Financial Hardship Apportionment	Loan	State Share	Total Apportionment
SAN MATEO	BELMONT-REDWOOD SHORES ELEMENTARY	57/68886-00-010	Modernization	G	10/30/2012	5/22/2013	0.00	0.00	261,559.00	261,559.00
SANTA CLARA	PALO ALTO UNIFIED	50/6964-1-00-001	New Construction	G	10/30/2012	5/22/2013	0.00	0.00	4,166,578.00	4,166,578.00
SANTA CLARA	PALO ALTO UNIFIED	50/6964-1-00-002	New Construction	G	10/30/2012	5/22/2013	0.00	0.00	1,485,437.00	1,485,437.00
SANTA CLARA	PALO ALTO UNIFIED	57/6964-1-00-029	Modernization	G	10/30/2012	5/22/2013	0.00	0.00	635,554.00	635,554.00
SANTA CLARA	PALO ALTO UNIFIED	57/6964-1-00-030	Modernization	G	10/30/2012	5/22/2013	0.00	0.00	720,787.00	720,787.00

INFORMATION ITEM

SCHOOL FACILITY PROGRAM NEW CONSTRUCTION AND MODERNIZATION UNFUNDED LIST (as of May 22, 2013)

The New Construction and Modernization projects on this list have received an “unfunded” approval by the State Allocation Board (SAB). Note that an “unfunded” approval does not guarantee a future apportionment by the SAB.

Published monthly in the SAB Agenda.

This report is also on the OPSC Web site at:
www.dgs.ca.gov/opsc

County	School District	Application Number	Program	Approval	Received Date	SAB Unfunded Approval	Financial Hardship Appportment	Loan	Status Share	Total Apportment	Cumulative Amount	Submitted Certification Letter May 2013
LOS ANGELES	LYNWOOD UNIFIED	56/64774-00-001	Overcrowding Relief Grant	G	7/31/2012	1/23/2013	0.00	0.00	7,045,371.00	7,045,371.00	573,773,496.80	Yes
LOS ANGELES	LYNWOOD UNIFIED	56/64774-00-001	Overcrowding Relief Grant	G	7/31/2012	3/20/2013	0.00	0.00	1,661,858.00	1,661,858.00	575,435,354.80	Yes
LOS ANGELES	LYNWOOD UNIFIED	56/64774-00-002	Overcrowding Relief Grant	G	7/31/2012	1/23/2013	0.00	0.00	3,561,948.00	3,561,948.00	582,332,302.80	Yes
LOS ANGELES	LYNWOOD UNIFIED	56/64774-00-002	Overcrowding Relief Grant	G	7/31/2012	3/20/2013	0.00	0.00	1,961,225.00	1,961,225.00	584,293,527.80	Yes
SAN BERNARDINO	RIALTO UNIFIED	56/67850-00-002	Overcrowding Relief Grant	G	7/31/2012	1/23/2013	0.00	0.00	1,509,707.00	1,509,707.00	584,802,234.80	No
SAN BERNARDINO	RIALTO UNIFIED	56/67850-00-002	Overcrowding Relief Grant	G	7/31/2012	3/20/2013	0.00	0.00	44,867.00	44,867.00	584,847,101.80	No
SAN BERNARDINO	RIALTO UNIFIED	56/67850-00-003	Overcrowding Relief Grant	G	7/31/2012	1/23/2013	0.00	0.00	2,117,786.00	2,117,786.00	586,964,887.80	No
SAN BERNARDINO	RIALTO UNIFIED	56/67850-00-003	Overcrowding Relief Grant	G	7/31/2012	3/20/2013	0.00	0.00	298,458.00	298,458.00	587,263,345.80	No
SAN BERNARDINO	RIALTO UNIFIED	56/67850-00-004	Overcrowding Relief Grant	G	9/28/2009	3/12/2013	0.00	0.00	1,185,773.00	1,185,773.00	588,449,118.80	No
CALAVERS	CALAVERS UNIFIED	59/61564-00-004	New Construction	G	2/26/2012	3/12/2013	0.00	0.00	1,411,417.00	1,411,417.00	589,860,535.80	No
CONTRA COSTA	PATTSBURG UNIFIED	59/61564-00-004	Career Tech Rehabilitation	G	10/28/2011	3/12/2013	0.00	0.00	755,945.00	755,945.00	590,616,480.80	No
FRESNO	MONTEBELLO UNIFIED	59/61564-00-022	New Construction	G	1/28/2009	3/12/2013	0.00	0.00	5,534.00	5,534.00	590,622,014.80	No
LOS ANGELES	MERGED COUNTY OFFICE OF EDUCATION	59/10249-00-004	Overcrowding Relief Grant	G	5/12/2009	5/22/2013	2,578.00	0.00	2,578.00	2,578.00	590,624,592.80	Yes
MERGED	MERGED COUNTY OFFICE OF EDUCATION	59/94401-00-003	New Construction	G	3/8/2010	5/22/2013	0.00	2,578.00	1,068,335.00	1,068,335.00	591,692,927.80	No
SANTA CLARA	CAMPBELL UNION HIGH	59/94401-00-003	Career Tech Rehabilitation	G	4/12/2010	5/22/2013	0.00	0.00	539,214.00	539,214.00	592,232,141.80	No
SAN DIEGO	SAN DIEGO UNIFIED	59/63329-00-017	Career Tech Rehabilitation	G	3/2/2010	5/22/2013	0.00	0.00	543.00	543.00	592,232,684.80	No
KERN	KERN HIGH	59/68130-1-4-001	Career Tech Rehabilitation	G	3/24/2010	5/22/2013	0.00	0.00	543.00	543.00	592,233,227.80	No
SAN DIEGO	GROSSMONT UNION HIGH	59/71217-00-001	Career Tech Rehabilitation	G	3/30/2010	5/22/2013	0.00	0.00	2,467,386.00	2,467,386.00	594,700,613.80	Yes
STANISLAUS	PATERSON JOINT UNIFIED	59/71217-00-001	Career Tech Rehabilitation	G	4/12/2010	5/22/2013	0.00	0.00	3,017.00	3,017.00	594,703,630.80	No
LOS ANGELES	LOS ANGELES UNIFIED	55/64733-00-011	Career Tech New Construction	G	4/12/2010	5/22/2013	0.00	0.00	3,917.00	3,917.00	594,707,547.80	No
LOS ANGELES	LOS ANGELES UNIFIED	55/64733-00-013	Career Tech New Construction	G	4/12/2010	5/22/2013	0.00	0.00	368,639.00	368,639.00	595,076,186.80	Yes
LOS ANGELES	POMONA UNIFIED	55/64907-00-001	Career Tech New Construction	G	4/12/2010	5/22/2013	0.00	0.00	123,289.00	123,289.00	595,200,475.80	No
LOS ANGELES	SUTTER UNION HIGH	59/71449-00-001	Career Tech Rehabilitation	G	5/12/2010	5/22/2013	0.00	0.00	3,746.00	3,746.00	595,204,221.80	No
ORANGE	OCEAN VIEW ELEMENTARY	57/66613-00-012	Modernization	G	5/12/2010	5/22/2013	0.00	0.00	3,427.00	3,427.00	595,207,648.80	No
ORANGE	OCEAN VIEW ELEMENTARY	57/66613-00-013	Modernization	G	5/12/2010	5/22/2013	0.00	0.00	8,080,417.00	8,080,417.00	603,288,065.80	Yes
SAN DIEGO	GROSSMONT UNION HIGH	50/68130-1-2-005	New Construction	G	7/13/2012	5/22/2013	0.00	0.00	2,322,142.00	2,322,142.00	605,610,207.80	Yes
REVERDE	CORONA-NORCO UNIFIED	50/67033-00-035	New Construction	G	7/24/2012	5/22/2013	0.00	0.00	2,327,321.00	2,327,321.00	607,937,528.80	Yes
TULARE	OAK VALLEY UNION ELEMENTARY	50/72017-00-004	New Construction	G	7/31/2012	5/22/2013	1,232,004.00	0.00	1,232,004.00	1,232,004.00	609,169,532.80	No
FRESNO	WASHINGTON UNIFIED	50/67780-00-001	New Construction	G	10/19/2012	5/22/2013	0.00	0.00	3,555,972.00	3,555,972.00	612,725,504.80	Yes
BUTTE	CHICO UNIFIED	54/61424-00-001	Charter	G	10/19/2012	5/22/2013	0.00	0.00	14,418,371.00	14,418,371.00	627,143,875.80	Yes
LOS ANGELES	LOS ANGELES UNIFIED	54/64733-00-011	Charter	G	12/20/2012	5/22/2013	0.00	0.00	7,845,522.00	7,845,522.00	635,000,124.80	Yes
LOS ANGELES	LOS ANGELES UNIFIED	54/64733-00-012	Charter	G	12/20/2012	5/22/2013	0.00	0.00	4,704,593.00	4,704,593.00	639,704,717.80	Yes
LOS ANGELES	BLUCKEY UNION ELEMENTARY	54/61838-00-001	Charter	G	12/26/2012	5/22/2013	0.00	0.00	1,425,908.00	1,425,908.00	641,130,625.80	Yes
LOS ANGELES	ELK GROVE UNIFIED	54/61796-00-003	Charter	G	12/27/2012	5/22/2013	0.00	0.00	10,466,813.00	10,466,813.00	651,597,438.80	Yes
SARRAENTO	WEST CONTRA COSTA UNIFIED	54/61796-00-001	Charter	G	12/27/2012	5/22/2013	0.00	0.00	3,507,587.10	3,507,587.10	655,105,025.90	Yes
CONTRA COSTA	HEPNERA UNIFIED	54/75944-00-001	Charter	G	12/27/2012	5/22/2013	0.00	2,707,590.00	11,299,248.00	666,404,273.90	Yes	
SAN BERNARDINO	HEPNERA UNIFIED	56/64734-00-002	Overcrowding Relief Grant	G	1/24/2013	5/22/2013	0.00	0.00	11,759,089.00	11,759,089.00	678,163,362.90	Yes
LOS ANGELES	LOS ANGELES UNIFIED	56/64901-00-001	Overcrowding Relief Grant	G	1/25/2013	5/22/2013	0.00	0.00	5,340,449.00	5,340,449.00	731,503,811.90	Yes
LOS ANGELES	EL MONTE CITY	56/64901-00-002	Overcrowding Relief Grant	G	1/25/2013	5/22/2013	0.00	0.00	5,340,449.00	5,340,449.00	736,844,260.90	Yes
LOS ANGELES	PERRIS UNION HIGH	56/67207-08-002	Overcrowding Relief Grant	G	1/29/2013	5/22/2013	0.00	0.00	2,670,286.00	2,670,286.00	739,514,546.90	Yes
SAN FRANCISCO	PASADENA UNIFIED	56/64981-00-001	Overcrowding Relief Grant	G	1/29/2013	5/22/2013	0.00	0.00	1,270,591.00	1,270,591.00	740,785,137.90	Yes
LOS ANGELES	PASADENA UNIFIED	56/64981-00-001	Overcrowding Relief Grant	G	1/29/2013	5/22/2013	0.00	0.00	3,667,545.00	3,667,545.00	744,452,682.90	Yes
LOS ANGELES	WALNUT VALLEY UNIFIED	56/73460-00-001	Overcrowding Relief Grant	G	1/30/2013	5/22/2013	0.00	0.00	3,474,941.00	3,474,941.00	747,927,623.90	Yes
SAN BERNARDINO	RIALTO UNIFIED	56/67850-00-004	Overcrowding Relief Grant	G	1/31/2013	5/22/2013	0.00	0.00	1,663,899.00	1,663,899.00	749,591,522.90	No
VENTURA	SANTA PAULA UNION HIGH	56/72595-00-001	Overcrowding Relief Grant	G	1/31/2013	5/22/2013	0.00	0.00	4,996,625.00	4,996,625.00	754,588,147.90	Yes

INFORMATION ITEM

SCHOOL FACILITY PROGRAM APPLICATIONS RECEIVED BEYOND BOND AUTHORITY LIST (as of May 31, 2013)

The applications on this list represent School Facility Program (SFP) New Construction and Modernization projects in date order received that were received on or after November 1, 2012 through May 31, 2013. These applications have been received, but not reviewed, by the Office of Public School Construction (OPSC). This list is presented to the State Allocation Board for acknowledgement, but not approval pursuant to SFP Regulation Section 1859.95.1.

Published monthly in the SAB Agenda.

This report is also on the OPSC Web site at:
www.dgs.ca.gov/opsc

SFP APPLICATIONS

New Construction Acknowledged Applications Received Past Existing Authority as of April 31, 2013

District	County	Site Name	DSA Number	50-04 Date Received	Estimated State Grant (a)	Estimated Financial Hardship (b)
Brittan Elementary	Sutter	Brittan Elementary	02-112298	11/09/12	\$ 2,081,873	\$ 2,081,873
Kings River-Hardwick Union Elementary	Kings	Kings River-Hardwick Elementary	Site / Design	11/19/12	\$ 667,523	\$ 667,523
Rockford Elementary	Tulare	Rockford Elementary	Site / Design	11/19/12	\$ 701,504	\$ 701,504
Fresno County Office of Education	Fresno	Violet Heintz Education Academy	02-112647	11/20/12	\$ 2,439,009	\$ -
Fowler Unified	Fresno	Casa Blanca Continuation	02-112629	11/21/12	\$ 1,738,469	\$ -
Alpaugh Unified	Tulare	Alpaugh Junior-Senior High	02-112420	12/21/12	\$ 2,275,309	\$ 2,275,309
Citrus South Tule Elementary	Tulare	Citrus South Tule Elementary	Site / Design	12/21/12	\$ 128,895	\$ 128,895
Ventura County Office of Education	Ventura	Camarillo (Adolfo) High	03-114516	02/04/13	\$ 5,803,079	\$ 5,803,079
Solano County Office of Education	Solano	T.C. Mc Daniel Elementary	02-110746	02/14/13	\$ 3,284,255	\$ 3,284,255
Westside Union Elementary	Los Angeles	Anaverde Hills School	03-114345	02/20/13	\$ 18,164,691	\$ -
Los Banos Unified	Merced	Mercey Springs Elementary	02-112740	04/17/13	\$ 4,949,986	\$ -
Kingsburg Joint Union Elementary	Fresno	Lincoln Elementary	Site / Design	04/23/13	\$ 976,200	\$ -
Kingsburg Joint Union Elementary	Fresno	Roosevelt Elementary	Site / Design	04/23/13	\$ 976,200	\$ -
Kingsburg Joint Union Elementary	Fresno	Washington Elementary	Site / Design	04/23/13	\$ 976,200	\$ -
Kingsburg Joint Union Elementary	Fresno	Johnson (Rafer) Junior High	Site / Design	04/23/13	\$ 1,952,181	\$ -
Kingsburg Joint Union Elementary	Fresno	Reagan Elementary	Site / Design	04/23/13	\$ 976,200	\$ -
Val Verde Unified	Riverside	Southeast High	04-112758	05/08/13	\$ 11,585,961	\$ -
Val Verde Unified	Riverside	Southeast High	04-112778	05/08/13	\$ 9,798,631	\$ -
Patterson Joint Unified	Stanislaus	Patterson High	02-111260	05/15/13	\$ 373,498	\$ -
Val Verde Unified	Riverside	Southeast High	04-112759	05/20/13	\$ 922,128	\$ -
Chula Vista Elementary	San Diego	Otay Village #11	04-108815	05/30/13	\$ 11,238,424	\$ -
					\$	96,952,654

SFP APPLICATIONS

Modernization Acknowledged Applications Received Past Existing Authority as of April 31, 2013

District	County	Site Name	DSA Number	50-04 Date Received	Estimated State Grant (a)	Estimated Financial Hardship (b)
Kings River-Hardwick Union Elementary	Kings	Kings River-Hardwick Elementary	Site / Design	11/19/12	\$ 40,500	\$ 27,000
Rockford Elementary	Tulare	Rockford Elementary	Site / Design	11/19/12	\$ 54,815	\$ 36,543
Coalinga/Huron Joint Unified	Fresno	Coalinga High	02-112226	11/29/12	\$ 3,444,966	\$ -
Simi Valley Unified	Ventura	Royal High	03-112631	12/17/12	\$ 2,163,029	\$ 1,442,019
Ventura County Office of Education	Ventura	Dorothy Boswell	03-114402	12/18/12	\$ 651,640	\$ 434,427
Meridian Elementary	Sutter	Meridian Elementary	02-112510	12/19/12	\$ 409,086	\$ 272,724
Antioch Unified	Contra Costa	Antioch Middle	01-112369	12/20/12	\$ 3,195,182	\$ -
Ventura County Office of Education	Ventura	Carl Dwire Special School	03-114395	12/24/12	\$ 962,427	\$ 641,618
Maple Elementary	Kern	Maple Elementary	03-114419	01/07/13	\$ 1,480,346	\$ 986,897
Sunnyside Union Elementary	Tulare	Sunnyside Elementary	02-112632	01/15/13	\$ 403,333	\$ -
Washington Unified	Fresno	Washington High	02-112370	01/28/13	\$ 1,567,059	\$ -
Walnut Valley Unified	Los Angeles	Chaparral Middle	03-114376	01/30/13	\$ 4,564,665	\$ -
Temecula Valley Unified	Riverside	Temecula Valley High	04-108990	01/30/13	\$ 1,557,685	\$ -
Santa Rita Union Elementary	Monterey	La Joya Elementary	Site / Design	01/31/13	\$ 94,125	\$ 62,750
Solano County Office of Education	Solano	T.C. Mc Daniel Elementary	02-110746	02/14/13	\$ 707,890	\$ 471,927
Palm Springs Unified	Riverside	Della S. Lindley Elementary	04-112525	02/14/13	\$ 567,332	\$ -
Oceanside City Unified	San Diego	Burgener (Clair W.) Academy	04-112596	03/01/13	\$ 584,737	\$ -
Mt. Diablo Unified	Contra Costa	Ayers Elementary	01-112194	03/05/13	\$ 723,894	\$ -
Mt. Diablo Unified	Contra Costa	Foothill Middle	01-112193	03/05/13	\$ 555,111	\$ -
Mt. Diablo Unified	Contra Costa	Sequoia Elementary	01-112194	03/05/13	\$ 746,875	\$ -
Mt. Diablo Unified	Contra Costa	Sun Terrace Elementary	01-112194	03/05/13	\$ 490,256	\$ -
Mt. Diablo Unified	Contra Costa	Valley View Middle	01-112193	03/05/13	\$ 972,459	\$ -
Tulare County Office of Education	Tulare	L. B. Hill Learning Center	Site / Design	03/14/13	\$ 106,461	\$ 70,974
Grossmont Union High	San Diego	West Hills High	04-111765	03/14/13	\$ 660,105	\$ -
Los Alamitos Unified	Orange	Oak Middle	04-112514	03/14/13	\$ 310,341	\$ -
Mcfarland Unified	Kern	Mcfarland High	02-112205	03/18/13	\$ 590,004	\$ -
Los Alamitos Unified	Orange	Weaver (Jack L.) Elementary	04-112507	03/25/13	\$ 3,745,997	\$ -
Cloverdale Unified	Sonoma	Jefferson Elementary	01-112593	03/28/13	\$ 376,760	\$ -
Grossmont Union High	San Diego	Monte Vista High	04-111316	04/06/13	\$ 245,733	\$ -
Clovis Unified	Fresno	Garfield Elementary	02-112675	04/09/13	\$ 969,778	\$ -
Ross Valley	Marin	White Hill Middle	01-112556	04/09/13	\$ 444,499	\$ -
EI Dorado Union High	EI Dorado	Independence Continuation	02-110797	04/12/13	\$ 186,210	\$ -
EI Dorado Union High	Fresno	EI Dorado High	02-111680	04/12/13	\$ 1,973,873	\$ -
Kingsburg Joint Union Elementary	Fresno	Lincoln Elementary	Site / Design	04/12/13	\$ 125,314	\$ 83,543
Kingsburg Joint Union Elementary	Fresno	Roosevelt Elementary	Site / Design	04/12/13	\$ 167,085	\$ 111,390
Kingsburg Joint Union Elementary	Fresno	Washington Elementary	Site / Design	04/12/13	\$ 83,543	\$ 55,695
Kingsburg Joint Union Elementary	Fresno	Johnson (Rafer) Junior High	Site / Design	04/12/13	\$ 103,110	\$ 68,740
Ventura County Office of Education	Ventura	Douglas Perfield School	03-114409	04/17/13	\$ 924,019	\$ 616,013
Slyvan Union Elementary	Stanislaus	Sherwood Elementary	02-112465	04/30/13	\$ 2,359,622	\$ -
Atascadero Unified	San Luis Obispo	Monterey Road Elementary	01-112285	05/02/13	\$ 3,020,507	\$ -
Rim Of The World Unified	San Bernardino	Rim Of The World Senior High	04-112366	05/07/13	\$ 4,504,760	\$ -
Wright Elementary	Sonoma	Wright Charter	01-113098	05/07/13	\$ 1,780,502	\$ -
Placentia-Yorba Linda Unified	Orange	Valencia High	04-112534	05/14/13	\$ 451,098	\$ -

SFP APPLICATIONS

Modernization Acknowledged Applications Received Past Existing Authority as of April 31, 2013

District	County	Site Name	DSA Number	50-04 Date Received	Estimated State Grant (a)	Estimated Financial Hardship (b)
Desert Sands Unified	Riverside	Palm Desert Middle	04-110948	05/17/13	\$ 560,445	\$ -
Washington Unified	Yolo	Golden State Junior High	02-112282	05/20/13	\$ 915,815	\$ -
Cypress Elementary	Orange	Arnold (A. E.) Elementary	04-112498	05/24/13	\$ 2,913,063	\$ -
Willits Unified	Mendocino	Willits High	Site / Design	05/28/13	\$ 138,045	\$ 92,030
					\$	\$ 59,068,389

Attachment L

Long-Term Enrollment Projections

Alpine Union School District

May 9, 2013

Prepared For:
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Exhibits

Exhibit A: Enrollment Projection by School without Spanish Immersion Program

Exhibit B: Conservative Enrollment Projection by School with Spanish Immersion Program

Exhibit C: Moderate Enrollment Projection by School with Spanish Immersion Program

I. Introduction

Alpine Union School District ("School District"), located in Eastern San Diego County ("County"), serves students in grades kindergarten through 8 residing in the unincorporated community of Alpine and surrounding areas. In order to determine the estimated growth or decline of the student population over the next 10 years ("Study Period"), the School District has retained the services of Dolinka Group, LLC to prepare a Long Range Enrollment Projection Study ("Study").

In school year 2012/2013, the enrollment of the School District was 1,826 students. Based on the information contained in the Study, the enrollment of the School District is expected to continue a pattern of decline for several years before gradually exceeding current levels by the end of the Study Period. Using School District enrollment information as of October 2012, excluding enrollment in charter schools within the boundaries of the School District, the enrollment of the School District is expected to continue in decline for three (3) years before gradually returning to current enrollment levels by the end of the Study Period.

As is the case with any long-term projection of student enrollment, the School District should keep in mind the Study is a living document based on information gathered during the first quarter of 2013. Due to fluctuations in population, changes in residential development, unforeseen economic conditions, and alterations in School District enrollment policy, adjustments to this Study will be necessary as fluctuations in population, economy, and housing market take place over the Study Period.

While the Study's mission is to provide future student enrollment projections, it is also valuable to analyze historical and current trends. The following is an outline of the Study's five (5) main sections:

- » After this introductory section, Section II reviews the historical enrollment trends of the School District.
- » Section III provides the assumptions and methodologies used to project the number of students in the School District over the Study Period. This section includes a discussion of cohort survival factors, birth rates, and the method used to project future student enrollment.
- » Section IV projects the student enrollment for the School District over the Study Period without consideration of the School District's Spanish Language Immersion Program ("Spanish Immersion Program"). Additionally, this section provides an overview of enrollment growth and/or decline at both school levels.
- » Section V projects the student enrollment for the School District over the Study Period with conservative estimates of the School District's Spanish Immersion Program.
- » Section VI projects the student enrollment for the School District over the Study Period with moderate estimates of the School District's Spanish Immersion Program.
- » Finally, Section VII summarizes the findings of the Study and provides the Board and staff of the School District with recommendations of trends to closely observe during the Study Period.

II. Overview of Historical Enrollment

To analyze the total districtwide enrollment, Dolinka Group utilized data from the California Basic Educational Data System ("CBEDS"). Currently, CBEDS provides access to districtwide enrollment for school years 2000/2001 to school year 2012/2013.

In order to analyze the enrollment trends by grade level and region, Dolinka Group utilized a database of enrolled student and addresses from the School District for school year 2010/2011 through school year 2012/2013. By using this information, Dolinka Group was able to locate and map-out the residence of each student (for more information on this process see Section III.A.). This allows Dolinka Group to assess the concentration of where students reside within their respective attendance boundaries regardless of what school the student attends.

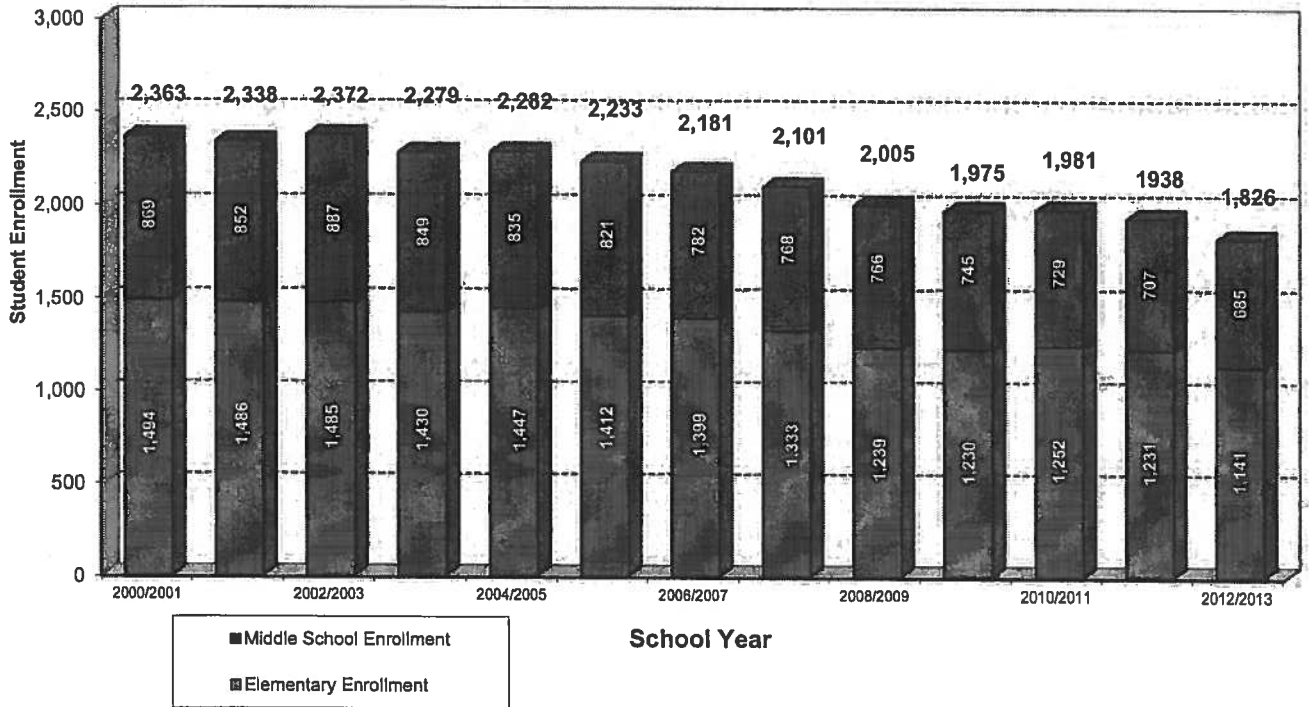
The School District has experienced fairly steady enrollment decline since school year 2000/2001. The historical enrollment of the School District is shown below in Graph 1 and Table 1, while the annual change of student enrollment is shown in Table 2.

Table 1
Annual Change in Student Enrollment

School Year	Districtwide Enrollment ^[1]
2000/2001	2,363
2001/2002	2,338
2002/2003	2,372
2003/2004	2,279
2004/2005	2,282
2005/2006	2,233
2006/2007	2,181
2007/2008	2,101
2008/2009	2,005
2009/2010	1,975
2010/2011	1,981
2011/2012	1,938
2012/2013	1,826

[1] Based on information provided by CBEDS and School District staff. Excludes students enrolled at Mountain View Learning Academy and Alpine Community Day School.

**Graph 1
Historical District Enrollment by Grade Level**



**Table 2
Annual Rate of Change in Student Enrollment**

School Year	Growth/ (Decline)	Growth/(Decline) Percentage
2000/2001 to 2001/2002	(25)	(1.06%)
2001/2002 to 2002/2003	34	1.45%
2002/2003 to 2003/2004	(93)	(3.92%)
2003/2004 to 2004/2005	3	0.13%
2004/2005 to 2005/2006	(49)	(2.15%)
2005/2006 to 2006/2007	(52)	(2.33%)
2006/2007 to 2007/2008	(80)	(3.67%)
2007/2008 to 2008/2009	(96)	(4.57%)
2008/2009 to 2009/2010	(30)	(1.50%)
2009/2010 to 2010/2011	6	0.30%
2010/2011 to 2011/2012	(43)	(2.17%)
2011/2012 to 2012/2013	(112)	(5.78%)
Average Growth/Decline	±(45)	(2.10%)

III. Inputs and Methodology

This section identifies the components used by Dolinka Group to project student enrollment by grade level and location for the School District. Dolinka Group identified and analyzed various connections or linkages between (i) the existing housing stock and (ii) future student enrollment. The primary linkages identified by Dolinka Group include:

- » Cohort Survival Factors (i.e., the percentage of students that progress from one grade level to the next),
- » Birth Rates

These enrollment projections are based on a student's school of attendance regardless of where that student may actually reside. The enrollment was calculated in this fashion due to the high percentage of inter-district transfer ("IDT") students who attend the School District.

Map 1 provides a geographic profile of the School District, while Map 2 displays the 2012/2013 elementary school attendance areas.

A. Cohort Survival Factors

Cohort survival factors represent the number of students that progress from one grade to the next (e.g., the number of first graders who become second graders, etc.). In order to compute cohort survival factors, Dolinka Group the reported CBEDS enrollment of the School District for school years 2009/2010 through 2012/2013. A cohort survival factor greater than 1.00 indicates that student enrollment is increasing from one grade to the next. Conversely, a cohort survival factor less than 1.00 indicates that student enrollment is decreasing from one grade to the next. Dolinka Group calculated the grade-to-grade progression of students over past four (4) school years as shown in Table 3.

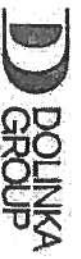
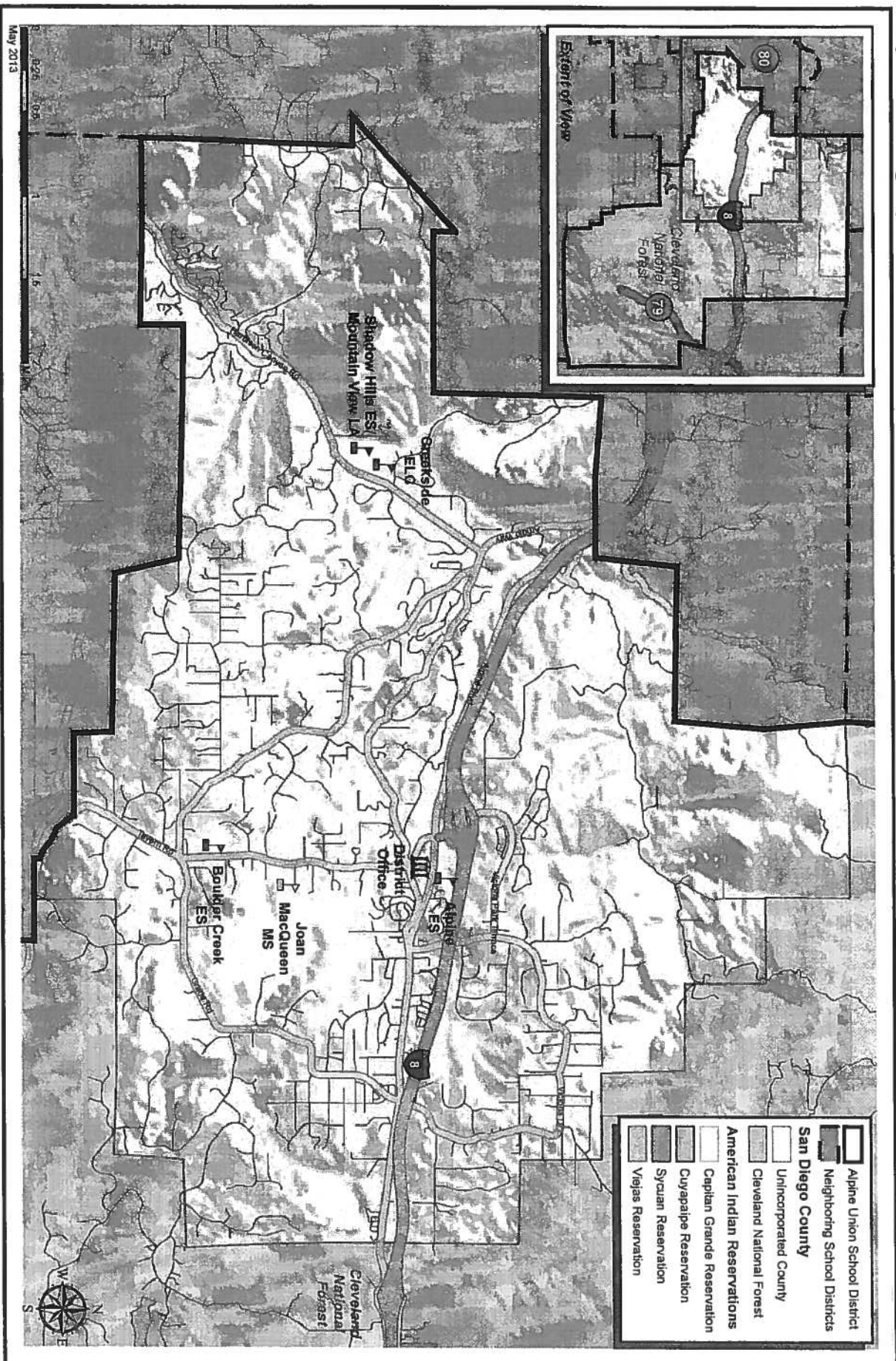
**Table 3
Cohort Survival Factors**

Grade Transition	Cohort Survival Factor
K to 1 st [1]	0.90000000
1 st to 2 nd	1.00611531
2 nd to 3 rd	1.01041660
3 rd to 4 th	0.99981649
4 th to 5 th	1.00285359
5 th to 6 th	0.96400573
6 th to 7 th	1.03984125
7 th to 8 th	0.94502803

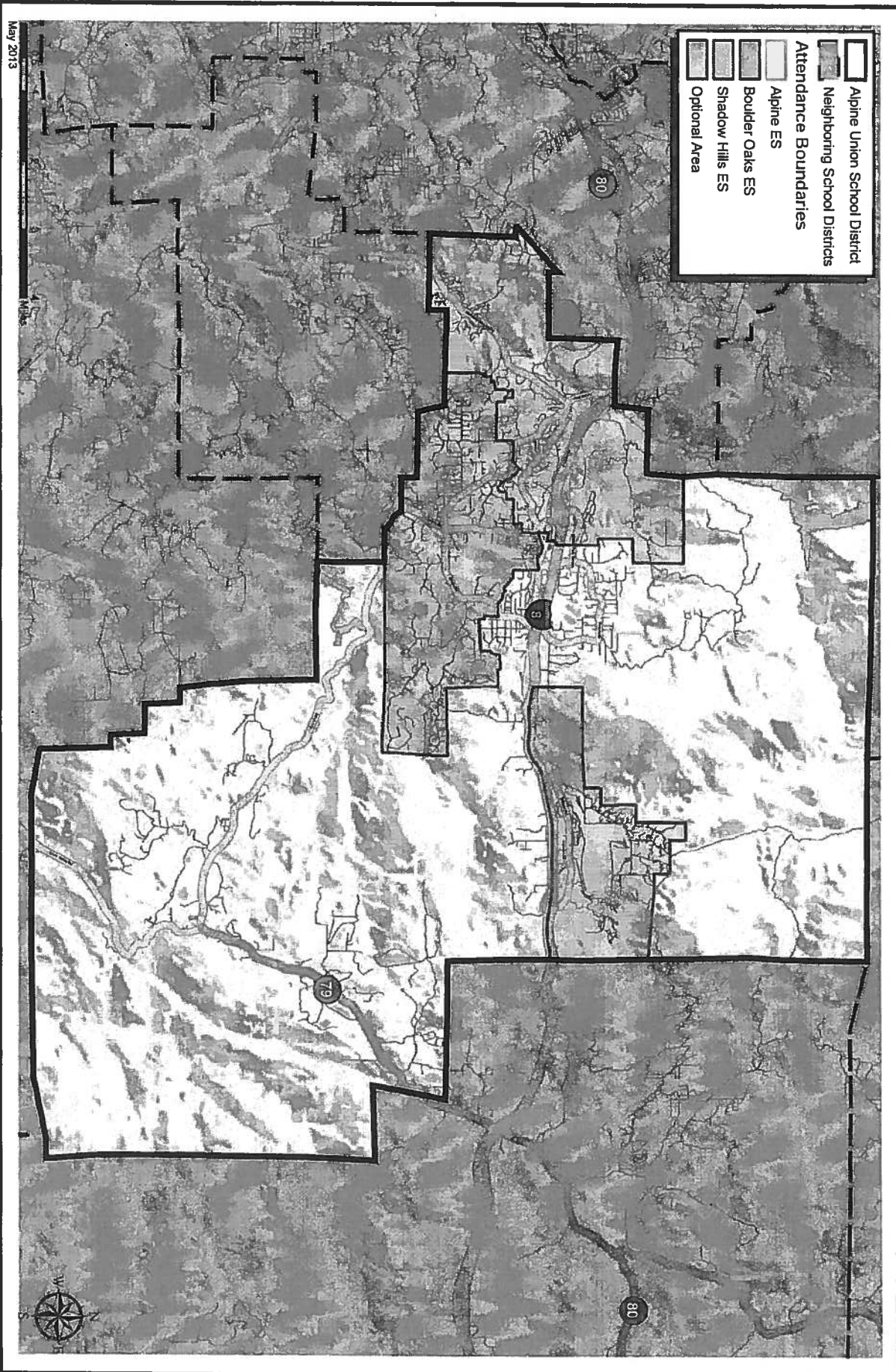
[1] Cohort survival factor is low due to the School District's implementation of its two-year kindergarten program in school year 2009/2010 where not all kindergarten students advance to first grade in the following school year.

Alpine Union School District

Map 1 - Geographic Profile



Alpine Union School District Map 2 - Elementary School Attendance Boundaries



B. Birth Rates

In order to more accurately project the number of students enrolled in the School District for any given year, information on the total births within ZIP codes served by the School District from 2000 through 2011 was obtained from the California Department of Public Health ("CDPH").

**Table 4
Actual Birth Rates as reported by CDPH**

Birth Year	Births ^[1]	Kindergarten Year	Kindergarten Enrollment	Kindergarten Percent of Births
2000	162	2005	222	137.04%
2001	151	2006	200	132.45%
2002	170	2007	194	114.12%
2003	171	2008	192	112.28%
2004	172	2009	179	104.07%
2005	190	2010	253	133.16%
2006	167	2011	241	144.31%
2007	157	2012	192	122.29%
Average				124.96%
2008	164	2013	204.94 ^[2]	124.96%
2009	160	2014	199.94 ^[2]	124.96%
2010	165	2015	206.19 ^[2]	124.96%
2011	185	2016	231.18 ^[2]	124.96%

[1] Information on actual births in zip codes 91901 and 91903 obtained from CPDH.
 [2] Projected kindergarten enrollment does not include enrollment due to Spanish Immersion Program.

In order to project future birth rates beyond 2011, information on projected births for the County was obtained from the California Department of Finance ("DOF"). A summary of the projected birth rates for the School District is shown in Table 5.

**Table 5
Actual and Projected Birth Rates as reported by DOF**

Birth Year	Births ^[1]	Kindergarten Year	Birth Rate
2011 ^[2]	43,621	2016	N/A
2012 ^[3]	43,491	2017	0.997027
2013 ^[3]	44,353	2018	1.019803
2014 ^[3]	44,778	2019	1.009592
2015 ^[3]	45,054	2020	1.006171
2016 ^[3]	45,250	2021	1.004353
2017 ^[3]	46,118	2022	1.019182

[1] Birth information from the DOF is tabulated on a countywide basis.
 [2] Actual births documented for the County of San Diego by DOF.
 [3] Projected births for the County of San Diego by DOF.

C. Residential Development

Due to the state of the current housing market and the limited residential development that has occurred within the School District recently, no residential development has been considered in the projections at this time. If residential development activity increases during the Study Period, the School District should update the enrollment projections to include projected student enrollment for new residential units.

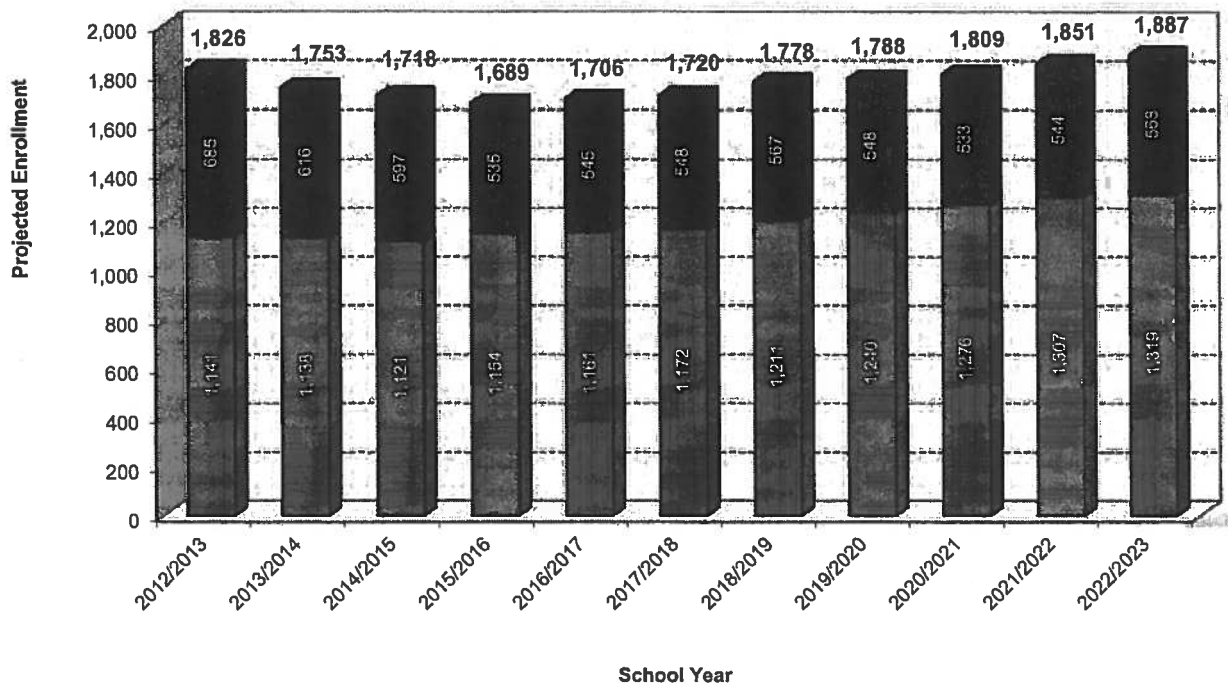
IV. Districtwide Enrollment Projection without Spanish Immersion Program

All of the items analyzed in prior sections were employed to project the number of students within the School District in the Study Period.

Cohort survival factors were incorporated to determine the percentage of students in any given year who matriculate to enter the next grade in the following year. Secondly, birth rates were incorporated into the projection. Utilizing these inputs and methods, student enrollment of the School District is projected to decline before beginning a period of growth in school year 2016/2017. It should be noted these two (2) inputs were not applied to students enrolled at Alpine Community Day School or Mountain View Learning Academy. Additionally, this section does not account for projected growth due to the Spanish Immersion Program.

As shown below in Graph 2, the student enrollment of the School District is projected to grow by 3.34 percent by the end of the Study Period.

Graph 2
Future Student Enrollment by School Year



A. Elementary School Enrollment Projection

At the elementary school level, enrollment is projected to increase from 1,141 students to 1,319 students, equating to a 15.60 percent growth. Of the four (4) elementary schools, three (3) schools are projected to experience student enrollment growth by the end of the Study Period. Table 6 details the projected enrollment change for each elementary school during the Study Period.

**Table 6
Projected Elementary School Enrollment through 2022/2023**

Attendance Area	2012/2013 Enrollment	2022/2023 Enrollment	Growth/ (Decline)	Percentage Change
Creekside ELC	187	244	57	30.60%
Alpine ES	416	521	105	25.23%
Boulder Oaks ES	308	324	16	5.05%
Shadow Hills ES	230	230	0	0.00%
Grand Total	1,141	1,319	178	15.60%

B. Middle School Enrollment Projection

At the middle school level, enrollment is projected to decrease from 685 in school year 2012/2013 to 568 students in school year 2022/2023. This equates to a 17.15 percent decrease in student enrollment at the middle school level. Although the middle school enrollment is projected to decrease during the Study Period, increases in enrollment at the elementary school level will contribute to larger class sizes at the middle school level as these students matriculate through the educational system beyond the Study Period. Table 7 details the projected enrollment change during the Study Period.

**Table 7
Projected Intermediate School Enrollment through 2022/2023**

Attendance Area	2012/2013 Enrollment	2022/2023 Enrollment	Growth/ (Decline)	Percentage Change
Joan MacQueen MS	685	568	(117)	(17.15%)

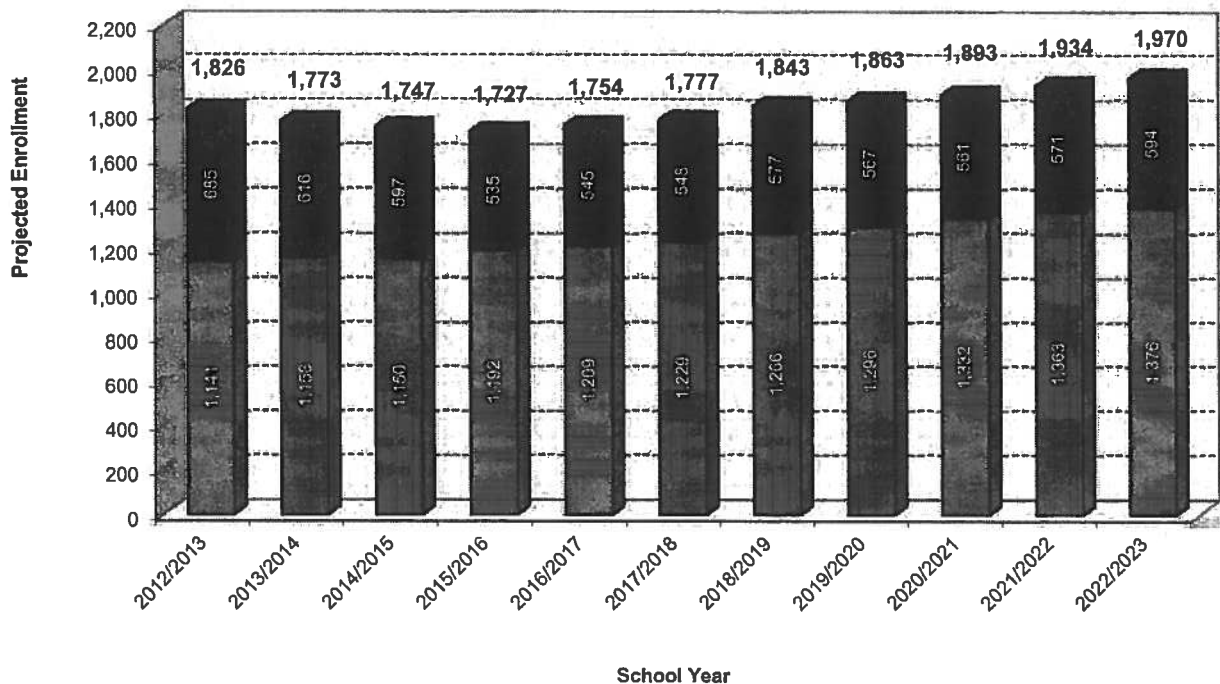
V. Conservative Enrollment Projection with Spanish Immersion Program

Starting in school year 2013/2014 the School District will begin its Spanish Immersion Program. The program will initially be provided to students in grades kindergarten and first, with the following grade level added each following school year as students progress (e.g., second grade added in school year 2014/2015, etc.) It should be noted that the Spanish Immersion Program will also be provided to preschool students on a fee basis beginning in school year 2013/2014, although the Study does not project preschool enrollment. Based on information from the School District, conservative estimates expect the Spanish Immersion Program to attract an additional 10 kindergarten students and 10 first grade students who otherwise would not have attended the School District in School Year 2013/2014.

As previously discussed, cohort survival factors were incorporated to determine the percentage of students in any given year who matriculate to enter the next grade in the following year and birth rates were incorporated to project future kindergarten enrollment. Utilizing these inputs and methods in conjunction with the Spanish Immersion Program, student enrollment of the School District is projected to decline before beginning a period of growth in school year 2016/2017. As stated earlier, these inputs were not applied to students enrolled at Alpine Community Day School or Mountain View Learning Academy.

As shown below in Graph 3, the student enrollment of the School District is projected to grow by 7.91 percent by the end of the Study Period, when the Spanish Immersion Program is taken in to account.

**Graph 3
Future Student Enrollment by School Year**



A. Elementary School Enrollment Projection

At the elementary school level, enrollment is projected to increase from 1,141 students to 1,376 students, equating to a 20.61 percent growth. Of the four (4) elementary schools, two (2) schools are projected to experience student enrollment growth by the end of the Study Period. Table 8 details the projected enrollment change for each elementary school during the Study Period.

**Table 8
Projected Elementary School Enrollment through 2022/2023**

Attendance Area	2012/2013 Enrollment	2022/2023 Enrollment	Growth/ (Decline)	Percentage Change
Creekside ELC	187	255	68	36.26%
Alpine ES	416	326	(90)	(21.64%)
Boulder Oaks ES	308	261	(47)	(15.33%)
Shadow Hills ES	230	535	305	132.43%
Grand Total	1,141	1,376	235	20.61%

B. Middle School Enrollment Projection

At the middle school level, enrollment is projected to decrease from 685 in school year 2012/2013 to 594 students in school year 2022/2023. This equates to a 13.25 percent decrease in student enrollment at the middle school level. Although the middle school enrollment is projected to decrease during the Study Period, increases in enrollment at the elementary school level will contribute to larger class sizes at the middle school level as these students matriculate through the educational system beyond the Study Period. Table 9 details the projected enrollment change during the Study Period.

**Table 9
Projected Intermediate School Enrollment through 2022/2023**

Attendance Area	2012/2013 Enrollment	2022/2023 Enrollment	Growth/ (Decline)	Percentage Change
Joan MacQueen MS	685	594	(91)	(13.25%)

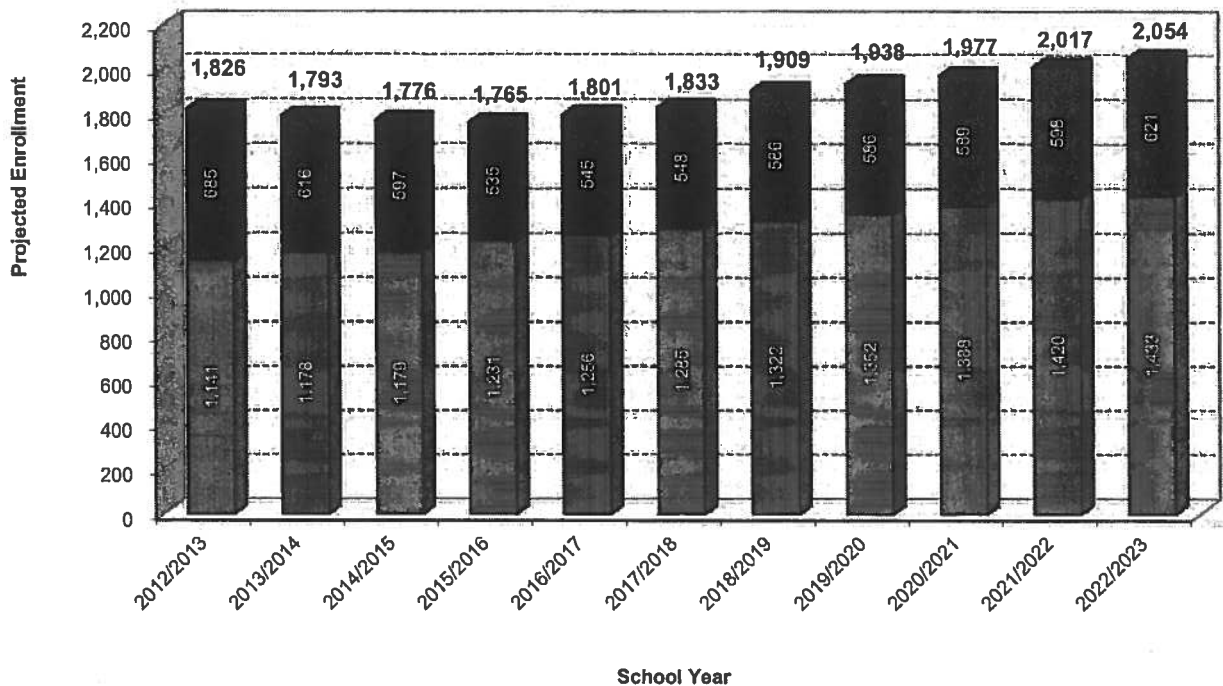
VI. Moderate Enrollment Projection with Spanish Immersion Program

Starting in school year 2013/2014 the School District will begin its Spanish Immersion Program. The program will initially be provided to students in grades kindergarten and first, with the following grade level added each following school year as students progress (e.g., second grade added in school year 2014/2015, etc.) It should be noted that the Spanish Immersion Program will also be provided to preschool students on a fee basis beginning in school year 2013/2014, although the Study does not project preschool enrollment. Based on information from the School District, moderate estimates expect the Spanish Immersion Program to attract an additional 20 kindergarten students and 20 first grade students who otherwise would not have attended the School District in School Year 2013/2014.

As previously discussed, cohort survival factors were incorporated to determine the percentage of students in any given year who matriculate to enter the next grade in the following year and birth rates were incorporated to project future kindergarten enrollment. Utilizing these inputs and methods in conjunction with the Spanish Immersion Program, student enrollment of the School District is projected to decline before beginning a period of growth in school year 2016/2017. As stated earlier, these inputs were not applied to students enrolled at Alpine Community Day School or Mountain View Learning Academy.

As shown below in Graph 4, the student enrollment of the School District is projected to grow by 12.50 percent by the end of the Study Period, when the Spanish Immersion Program is taken in to account.

**Graph 4
Future Student Enrollment by School Year**



A. Elementary School Enrollment Projection

At the elementary school level, enrollment is projected to increase from 1,141 students to 1,433 students, equating to a 25.61 percent growth. Of the four (4) elementary schools, two (2) schools are projected to experience student enrollment growth by the end of the Study Period. Table 10 details the projected enrollment change for each elementary school during the Study Period.

**Table 10
Projected Elementary School Enrollment through 2022/2023**

Attendance Area	2012/2013 Enrollment	2022/2023 Enrollment	Growth/ (Decline)	Percentage Change
Creekside ELC	187	265	78	41.91%
Alpine ES	416	339	(77)	(18.39%)
Boulder Oaks ES	308	272	(36)	(11.82%)
Shadow Hills ES	230	557	327	142.07%
Grand Total	1,141	1,433	292	25.61%

B. Middle School Enrollment Projection

At the middle school level, enrollment is projected to decrease from 685 in school year 2012/2013 to 621 students in school year 2022/2023. This equates to a 9.34 percent decrease in student enrollment at the middle school level. Although the middle school enrollment is projected to decrease during the Study Period, increases in enrollment at the elementary school level will contribute to larger class sizes at the middle school level as these students matriculate through the educational system beyond the Study Period. Table 11 details the projected enrollment change during the Study Period.

**Table 11
Projected Intermediate School Enrollment through 2022/2023**

Attendance Area	2012/2013 Enrollment	2022/2023 Enrollment	Growth/ (Decline)	Percentage Change
Joan MacQueen MS	685	621	(64)	(9.34%)

VII. Conclusion

Based on the projection provided in the Study, the student enrollment of the School District is expected to continue the trend of decreases before returning to current levels at the end of the Study Period. The School District's enrollment patterns are similar to those experienced by other school districts in East San Diego County (e.g., Lakeside Union School District, Jamul-Dulzura Union School District, and Cajon Valley Union School District). This area has experienced limited growth in student enrollment since school year 2000/2001, with exception of charter school facilities. Several factors have been identified to contribute to the slow population growth in East San Diego County. Among them are: (i) the lack of new available housing, (ii) location of jobs and employment opportunities, and (iii) daily transportation for employment opportunities

In school year 2012/2013 the student enrollment of the School District is 1,826 students. Based on a methodology that takes into account birth rate data and cohort survival factors, the student enrollment of the School District is projected to grow 3.34 percent without consideration of the Spanish Immersion Program and between 7.91 to 12.5 percent with consideration of the Spanish Immersion Program by school year 2022/2023. As shown in Sections IV, V, and VI, the elementary schools are projected to see growth during the Study Period, while the middle school is projected to continue its enrollment decline.

It should be noted that these forecasts are based on information available at this time and that changes in population, economy, and the housing market may result in enrollment outcomes that may not be observed by the School District over the last several years. Additionally, the current transportation patterns in the Southern California region in which large percentages of all counties commute long distances, combined with the dramatic increase in fuel costs may also affect the migration and settling of the population. In this case, it is important the Governing Board and School District staff closely watch for changes within the communities served by the School District and to make adjustments to this projection accordingly.

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Exhibit A

Enrollment Projection by School without Spanish Immersion Program

Alpine Union School District
 Districtwide Long-Term Enrollment Projections - Without Spanish Immersion Program

School of Attendance	Current Enrollment 2012/2013	Projected Enrollment										
		School Year										
		2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	
Creekside ELC	187	205	200	206	231	230	235	237	239	240	244	
Alpine ES	416	416	434	448	451	457	473	486	503	517	521	
Boulder Oaks ES	308	294	282	289	280	284	294	302	312	321	324	
Shadow Hills ES	230	223	205	212	199	202	209	215	222	229	230	
Joan MacQueen MS	665	616	597	535	545	548	567	548	533	544	568	
Elementary School	1,141	1,138	1,121	1,154	1,161	1,172	1,211	1,240	1,276	1,307	1,319	
Middle School	685	616	597	535	545	548	567	548	533	544	568	
Total	1,826	1,753	1,718	1,689	1,706	1,720	1,778	1,788	1,809	1,851	1,887	

Grade	Current Enrollment 2012/2013	Projected Enrollment										
		School Year										
		2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	
K	189	205	200	206	231	230	235	237	239	240	244	
1	199	174	185	180	185	208	207	211	213	215	216	
2	199	197	175	185	181	187	209	209	213	215	216	
3	159	206	199	177	188	183	188	211	211	215	217	
4	196	156	206	199	177	188	183	188	211	211	215	
5	199	200	156	207	200	177	188	183	189	212	211	
Elementary School	1,141	1,138	1,121	1,154	1,161	1,172	1,211	1,240	1,276	1,307	1,319	
Middle School	685	616	597	535	545	548	567	548	533	544	568	
Total Enrollment	1,826	1,753	1,718	1,689	1,706	1,720	1,778	1,788	1,809	1,851	1,887	
Annual Growth/(Decline)	N/A	(73)	(35)	(29)	18	14	57	11	20	42	36	

Alpine Union School District
Projected Enrollment by Grade and School - Without Spanish Immersion Program

Creekside ELC		Grade	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	00		189	205	200	206	231	230	235	237	239	240	244
Total			189	205	200	206	231	230	235	237	239	240	244
Alpine ES		Grade	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	00		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	01		95	84	89	87	90	101	100	102	103	104	105
	02		87	96	85	90	88	90	101	101	103	104	105
	03		76	88	97	86	91	89	91	102	102	104	105
	04		74	75	88	97	86	91	89	91	102	102	104
	05		84	73	75	88	97	86	91	89	92	103	102
Total			416	415	434	448	457	457	473	486	502	517	521
Boulder Oaks ES		Grade	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	00		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	01		63	52	56	54	56	63	62	64	64	65	65
	02		61	59	53	55	55	56	63	63	64	65	65
	03		48	66	60	53	58	55	57	64	63	65	65
	04		66	48	66	60	53	56	55	57	64	63	65
	05		70	68	48	66	60	53	57	55	57	64	64
Total			308	294	282	289	289	284	284	302	302	321	324
Shadow Hills ES		Grade	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	00		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	01		41	37	40	39	40	45	44	45	46	46	46
	02		51	42	37	40	39	40	45	45	46	46	46
	03		35	53	43	38	40	39	40	45	45	46	46
	04		56	33	53	43	38	40	39	40	45	45	46
	05		45	58	33	53	43	38	40	39	40	45	45
Total			228	228	206	212	199	202	209	215	222	229	230
Joan MacQueen MS		Grade	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	06		212	187	192	151	199	193	171	181	177	182	204
	07		230	223	194	200	157	207	200	177	189	184	189
	08		243	206	210	184	189	148	196	189	168	178	174
Total			685	616	597	535	545	548	567	548	533	544	568
Total		Grade	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	00		189	205	200	206	231	230	235	237	239	240	244
	01		199	174	185	180	185	208	207	211	213	215	216
	02		199	197	175	186	181	187	209	209	213	215	216
	03		159	206	199	177	188	183	188	211	211	215	217
	04		196	156	206	199	177	188	183	188	211	211	215
	05		199	200	156	207	200	177	188	183	189	212	211
	06		212	187	192	151	199	193	171	181	177	182	204
	07		230	223	194	200	157	207	200	177	189	184	189
	08		243	206	210	184	189	148	196	189	168	178	174
Total			1,826	1,753	1,748	1,689	1,706	1,720	1,778	1,788	1,809	1,851	1,867

Exhibit B

Conservative Enrollment Projection by School with Spanish Immersion Program

Alpine Union School District
 Districtwide Long-Term Enrollment Projections - With Spanish Immersion Program (Conservative)

School of Attendance	Current Enrollment			Projected Enrollment									
	2012/2013	2013/2014	2014/2015	School Year									
Crestside ELC	187	215	210	216	241	240	245	247	249	250	255		
Alpine ES	416	382	367	348	317	284	297	305	315	324	326		
Boulder Oaks ES	308	282	259	256	236	228	238	244	252	259	261		
Shadow Hills ES	230	279	314	373	414	477	487	500	516	531	535		
Joan MacQueen MS	665	616	597	535	545	548	577	567	561	571	594		
Elementary School	1,141	1,158	1,150	1,192	1,209	1,229	1,266	1,296	1,332	1,363	1,376		
Middle School	685	616	597	535	545	548	577	567	561	571	594		
Total	1,826	1,773	1,747	1,727	1,754	1,777	1,843	1,863	1,893	1,934	1,970		

Grade	Current Enrollment			Projected Enrollment									
	2012/2013	2013/2014	2014/2015	School Year									
K	189	215	210	216	241	240	245	247	249	250	255		
1	199	184	194	189	194	217	216	221	222	224	225		
2	199	197	185	195	190	196	218	218	222	224	225		
3	159	206	199	187	197	192	198	220	220	224	226		
4	196	156	206	199	187	197	192	198	220	220	224		
5	199	200	156	207	200	187	197	193	198	221	220		
Elementary School	1,341	1,158	1,150	1,192	1,209	1,229	1,266	1,296	1,332	1,363	1,376		
6	212	187	192	192	151	193	181	180	186	191	213		
7	230	223	194	200	157	207	200	188	198	193	199		
8	243	206	210	184	189	148	196	189	177	187	182		
Middle School	685	616	597	535	545	548	577	567	561	571	594		
Total Enrollment	1,826	1,773	1,747	1,727	1,754	1,777	1,843	1,863	1,893	1,934	1,970		
Annual Growth/(Decline)	N/A	(53)	(26)	(20)	27	23	66	20	29	41	36		

Alpine Union School District

Projected Enrollment by Grade and School - With Spanish Immersion Program (Conservative)

Creekside ELC		Grade	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	00		189	215	210	216	241	240	245	247	249	250	255
Total			189	215	210	216	241	240	245	247	249	250	255
Alpine ES		Grade	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	00		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	01		95	50	56	55	57	63	63	64	65	65	65
	02		87	96	51	57	55	57	63	63	65	65	66
	03		76	88	97	51	57	56	57	64	64	65	66
	04		74	75	88	97	51	57	56	57	64	64	65
	05		84	73	75	88	97	51	57	56	58	64	84
Total			416	382	367	348	357	284	298	305	316	324	328
Boulder Oaks ES		Grade	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	00		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	01		63	40	45	44	45	50	50	51	52	52	52
	02		61	59	41	45	44	45	51	51	52	52	52
	03		48	66	60	41	46	45	46	51	51	52	53
	04		66	48	66	60	41	46	45	46	51	51	52
	05		70	68	48	66	60	41	46	45	46	51	51
Total			308	282	259	256	238	228	238	242	252	258	261
Shadow Hills ES		Grade	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	00		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	01		41	93	92	90	93	103	103	105	106	107	107
	02		51	42	93	93	91	93	104	104	106	107	107
	03		35	53	43	94	94	92	94	105	105	107	108
	04		56	33	53	43	94	94	94	94	105	105	107
	05		45	58	33	53	43	95	94	92	94	105	105
Total			228	279	314	373	414	427	487	500	516	531	535
Joan MacQueen MS		Grade	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	06		212	187	192	151	199	193	181	190	186	191	213
	07		230	223	194	200	157	207	200	188	198	193	199
	08		243	206	210	184	189	148	196	189	177	187	182
Total			685	616	597	535	545	548	577	567	561	571	594
Total		Grade	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	00		189	215	210	216	241	240	245	247	249	250	255
	01		199	184	194	189	194	217	216	221	223	224	225
	02		199	197	185	195	190	196	218	218	222	224	225
	03		159	206	199	187	197	192	198	220	220	224	226
	04		196	156	206	199	187	197	192	198	220	220	224
	05		199	200	156	207	200	187	197	193	198	221	220
	06		212	187	192	151	199	193	181	190	186	191	213
	07		230	223	194	200	157	207	200	188	198	193	199
	08		243	206	210	184	189	148	196	189	177	187	182
Total			1,826	1,773	1,767	1,727	1,754	1,777	1,843	1,863	1,893	1,934	1,970

Exhibit C

Moderate Enrollment Projection by School with Spanish Immersion Program

Alpine Union School District
 Districtwide Long-Term Enrollment Projections - With Spanish Immersion Program (Moderate)

School of Attendance	Current Enrollment			Projected Enrollment									
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023		
Creekside ELC	187	225	220	226	251	250	255	258	259	260	265		
Alpine ES	416	382	369	353	325	295	310	318	328	337	339		
Boulder Oaks ES	308	282	282	260	243	236	248	255	263	270	272		
Shadow Hills ES	230	289	328	391	437	504	509	522	538	553	557		
Joan MacQueen MS	685	616	597	535	545	548	586	586	589	598	621		
Elementary School	1,141	1,178	1,179	1,231	1,256	1,286	1,322	1,352	1,388	1,420	1,433		
Middle School	685	616	597	535	545	548	586	586	589	598	621		
Total	1,826	1,793	1,776	1,765	1,801	1,833	1,909	1,938	1,977	2,017	2,054		

Grade	Current Enrollment			Projected Enrollment									
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023		
K	189	225	220	226	251	250	255	258	259	260	265		
1	199	194	203	198	203	226	225	230	232	233	234		
2	199	197	195	204	199	205	227	227	231	233	235		
3	159	206	199	197	206	201	207	230	229	234	236		
4	196	156	206	199	197	206	201	207	230	229	233		
5	199	200	156	207	200	197	206	202	207	230	230		
Elementary School	1,141	1,178	1,179	1,231	1,256	1,286	1,322	1,352	1,388	1,420	1,433		
Middle School	212	187	192	151	199	193	190	199	195	200	222		
7	230	223	194	200	157	207	200	198	207	202	208		
8	243	206	210	184	189	148	196	189	187	196	191		
Middle School	885	811	897	585	645	548	588	588	589	588	621		
Total Enrollment	1,826	1,793	1,776	1,765	1,801	1,833	1,909	1,938	1,977	2,017	2,054		
Annual Growth/(Decline)	N/A	(33)	(17)	(11)	36	32	75	30	38	41	37		

Alpine Union School District
Projected Enrollment by Grade and School - With Spanish Immersion Program (Moderate)

Creekside ELC		Grade	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	00		189	225	220	226	251	250	255	258	259	260	265
Total			189	225	220	226	251	250	255	258	259	260	265
Alpine ES		Grade	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	00		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	01		95	50	59	58	59	66	65	67	67	68	68
	02		87	96	51	59	58	59	66	66	67	68	68
	03		76	88	97	51	60	59	60	67	67	68	69
	04		74	75	88	97	51	60	59	60	67	67	68
	05		84	73	75	88	97	51	60	59	60	67	67
Total			416	382	369	367	328	325	310	315	322	327	339
Boulder Oaks ES		Grade	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	00		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	01		63	40	47	46	47	53	52	53	54	54	54
	02		61	59	41	47	48	48	53	53	54	54	55
	03		48	66	60	41	48	47	48	53	53	54	55
	04		66	48	66	60	41	48	47	48	53	53	54
	05		70	68	48	66	60	41	48	47	48	54	53
Total			308	282	262	260	243	236	218	252	253	270	272
Shadow Hills ES		Grade	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	00		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	01		41	103	97	94	97	108	107	110	111	111	112
	02		51	42	103	97	95	98	108	108	110	111	112
	03		35	53	43	105	98	96	99	109	109	111	112
	04		56	33	53	43	104	98	96	99	109	109	111
	05		45	58	33	53	43	105	98	96	99	110	109
Total			228	289	328	397	397	504	509	522	539	553	557
Joan MacQueen MS		Grade	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	06		212	187	192	151	199	193	190	199	195	200	222
	07		230	223	194	200	157	207	200	198	207	202	208
	08		243	206	210	184	189	148	196	189	187	196	191
Total			685	616	596	535	545	548	586	586	589	598	621
Total		Grade	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	00		189	225	220	226	251	250	255	258	259	260	265
	01		199	194	203	198	203	226	225	230	232	233	234
	02		199	197	195	204	199	205	227	227	231	233	235
	03		159	206	199	197	206	201	207	230	229	234	236
	04		196	156	206	199	197	206	201	207	230	229	233
	05		199	200	156	207	200	197	206	202	207	230	230
	06		212	187	192	151	199	193	190	199	195	200	222
	07		230	223	194	200	157	207	200	198	207	202	208
	08		243	206	210	184	189	148	196	189	187	196	191
Total			1,825	1,793	1,776	1,755	1,801	1,833	1,909	1,938	1,927	2,017	2,054

Attachment M



High School District

COMMITTED TO EXCELLENCE
S I N C E 1 9 2 0

• GOVERNING BOARD MEMBERS

RICHARD HOY
JIM KELLY
PRISCILLA SCHREIBER
ROBERT SHIELD
LARRY URDAHL

• SUPERINTENDENT

TERRY RYAN

Date: February 20, 2007

To: Members of the Board of Education

From: S. Patterson via T. Ryan

Re: WEST HILLS AND STEELE CANYON HIGH SCHOOL DEVELOPMENT FUNDING

This is in response to a request from Mr. Shield for background information on how the district funded/financed the development of its two newest high schools to date, West Hills and Steele Canyon.

Through research of available records and discussions with former district staff we could reach, we have determined the following:

West Hills High School (mid 1980's)

The land was pre-owned by the district and had been obtained at no cost from the military some time before the school was developed as a transfer of a portion of the old Camp Elliot site.

The development and construction of the school was accomplished in two phases and was funded by a combination of sources but primarily from the prior state facilities program. The state program contributed nearly \$14 million while other sources included proceeds from a district land sale, (near the current Santee Town Center generating around \$7 million), issuance of \$7.4 million in COP's (with debt service paid by future year developer fees but ultimately paid off by Prop H), and existing developer fees funds of \$1 to \$2 million.

Steele Canyon High School (late 1990's)

The land was purchased with the proceeds of a 1990 COP issuance which was later refinanced by a 1997 COP issuance in the amount of \$19 million dollars (with debt service paid by developer fees but ultimately paid off by Prop H).

The development and construction of the school was funded entirely by funds from the prior state facilities program of approximately \$44 million. It should be noted that the prior state program provided 100% funding for those projects selected for participation as opposed to the current program that maintains a 50% match requirement for districts demonstrating growth.

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March 7, 2007

Superintendent's Report

Members of the Board of Education
February 20, 2007
Page Two

I hope this is helpful and will try to assist in finding any additional information possible. Please contact me at 644-8010 with any questions.

SP/cm

c: Cabinet
B. Kiesling
P. Floyd

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91944-1043
TDD/TTY (619) 644-8132

Attachment N

GROSSMONT UNION HIGH SCHOOL DISTRICT

Resolution No. 2012-05

RESOLUTION TO ADOPT RECOMMENDATIONS) ON THE 12TH HIGH SCHOOL PROJECT)

ON MOTION of Member Woods seconded by Member Kelly the following resolution is adopted:

WHEREAS, The Board took action in February 2011 to support and affirm the following recommendations from the Superintendent regarding the 12th high school:

- Proceed with the boundary study
- Continue property acquisition for the 12th high school
- Submit site preparation plans to DSA
- Complete revision of the Strategic Plan
- "Escrow" 12th high school funds
- Develop strategy to increase enrollment across the district
- Authorize the preparation and submittal of site and building packages for Phase I building plans for the 12th high school; and

WHEREAS, the Governing Board acknowledges all of those actions have either been completed or are in the process of being accomplished, and;

WHEREAS, the Governing Board acknowledges that the enrollment threshold set forth in Proposition U was met in 2010/11, and;

WHEREAS, the Governing Board continues to recognize the long-term need for a new high school in the greater Alpine area, and;

WHEREAS, the Governing Board continues to have concerns about the ongoing funding shortfalls in ADA funding compounded by the extreme volatility and uncertainty of state funding commitments, and;

WHEREAS, the Governing Board acknowledges the impact of increased operating costs related to opening and operating a new high school, and;

WHEREAS, the Citizens' Bond Oversight Committee unanimously urged the district to move cautiously with regards to the 12th high school in light of declining enrollment, and;

WHEREAS, while the Governing Board recognizes that the building of the 12th high school may have a positive impact on enrollment, the uncertain extent of that growth may not generate the additional ADA necessary to serve those students and meet the additional fixed operating costs.

NOW THEREFORE, BE IT RESOLVED, that the Grossmont Union High School District Governing Board adopts the following recommendations to establish clarity on the 12th high school project:

1. Release the request for construction bids on the site development work once plans are approved by DSA.

Site development work scope to include:

- a. Off-site work (electrical, sewer, gas, storm drain, and other utilities infrastructure; road and sidewalk improvements, etc.)
- b. On-site work (regulatory agency work required for the entire site; full-site rough-grading (including soil balancing); and fine grading, "stubbed up" utilities, and paving required by Phase I)

Completion of this work would create the opportunity for development of playing fields in collaboration with community partners.

2. Continue the preparation and submittal of building design packages to DSA for review and approval.
3. Upon the restoration of ADA funding for the district to the level it was at the time Proposition U was passed in 2008 the Governing Board to review and consider resumption of the construction process.


PASSED AND ADOPTED by the Governing Board of the Grossmont Union High School District at El Cajon, California, on this 14th day of July, 2011, by the following vote:

AYES: 4 (Hoy, Kelly, Shield, Woods)
NOES: 1 (Schreiber)

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)

I, Priscilla Schreiber, Clerk of the Governing Board of the Grossmont Union High School District of El Cajon, California, do hereby certify that the foregoing is a full, true and correct copy of a resolution adopted by said Board at the regular meeting thereof at the time and place of vote stated, which resolution is on file and of record in the office of said Board.

7/14/11
Date


Clerk of the Board