



Local Funding Initiatives

Future General Obligation Bond and Parcel Tax Planning
Workshop #2

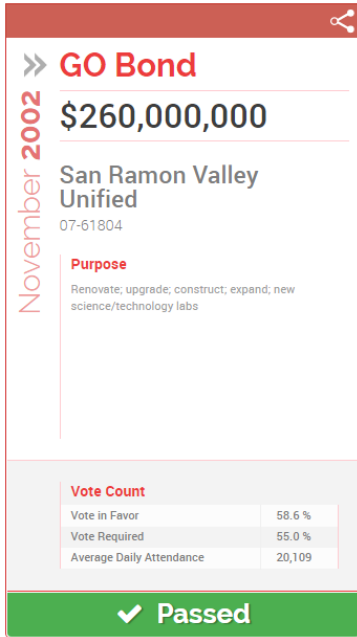
September 23, 2019

Agenda

1. Current General Obligation Bonds (“G.O. Bonds”) and Parcel Tax
1. Potential California and Regional Funding Initiatives on March 2020 and November 2020 Ballots
1. Local Student Centered “Bridge” of \$9.6 Million Established March 2019 for 2019-20, 2020-21 and 2021-22
1. Potential SRVUSD Funding Initiatives
1. Next Steps --- Direction to Continue

Current General Obligation Bonds and Parcel Tax 2

Measure A



November 2002

» **GO Bond**

\$260,000,000

San Ramon Valley Unified
07-61804

Purpose
Renovate; upgrade; construct; expand; new science/technology labs

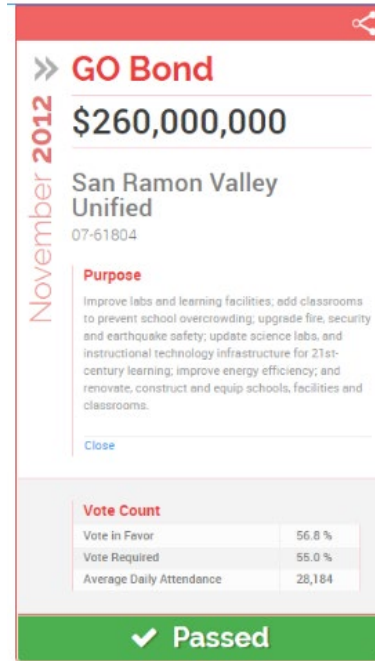
Vote Count

Vote in Favor	58.6 %
Vote Required	55.0 %
Average Daily Attendance	20,109

✓ **Passed**

Payback Through Fiscal Year 2031 “Under \$75 per \$100K Promise”

Measure D



November 2012

» **GO Bond**

\$260,000,000

San Ramon Valley Unified
07-61804

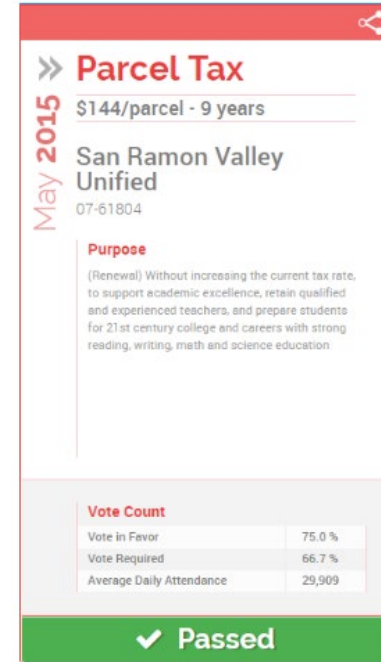
Purpose
Improve labs and learning facilities; add classrooms to prevent school overcrowding; upgrade fire, security and earthquake safety; update science labs, and instructional technology infrastructure for 21st-century learning; improve energy efficiency; and renovate, construct and equip schools, facilities and classrooms.

Vote Count

Vote in Favor	56.8 %
Vote Required	55.0 %
Average Daily Attendance	28,184

✓ **Passed**

Payback Through Fiscal Year 2040 “Under \$75 per \$100K Promise”



May 2015

» **Parcel Tax**

\$144/parcel - 9 years

San Ramon Valley Unified
07-61804

Purpose
(Renewal) Without increasing the current tax rate, to support academic excellence, retain qualified and experienced teachers, and prepare students for 21st century college and careers with strong reading, writing, math and science education

Vote Count

Vote in Favor	75.0 %
Vote Required	66.7 %
Average Daily Attendance	29,909

✓ **Passed**

Annual Revenue = \$6.8 Million through Year 2024-25

1. Statewide

- Full & Fair Funding --- projected \$15 Billion to Education
<http://www.fullandfairfunding.org/index.php/home/about/facts/>
- Split Tax Role --- projected \$4 Billion to Education
[https://ballotpedia.org/California_Tax_on_Commercial_and_Industrial_Properties_for_Education_and_Local_Government_Funding_Initiative_\(2020\)](https://ballotpedia.org/California_Tax_on_Commercial_and_Industrial_Properties_for_Education_and_Local_Government_Funding_Initiative_(2020))

1. Regional --- Nine County Bay Area

- 1 cent (\$0.01) sales tax --- “Faster Bay Area Transportation Tax” --- estimated to generate \$100 Billion over 40 years

1. Regional --- Contra Costa County

- ½ cent (\$0.005) sales tax --- on top off Measure J’s \$2.5 billion through Year 2034 --- estimated to generate \$1+ billion over TBD lifecycle

Local Student Centered “Bridge” Funding⁴

General Fund’s Establishment of **\$9.6 million** in 1x
funding

Investing in Student Success through Increased Staffing

\$3.2 million in Student Centered investments per year
for 2019-20, 2020-21 and 2021-22

Local Funding --- G.O. Bond

Ultra-Low Interest and Payback Ratio from Series 3 Scaled Up to Entire Authorization

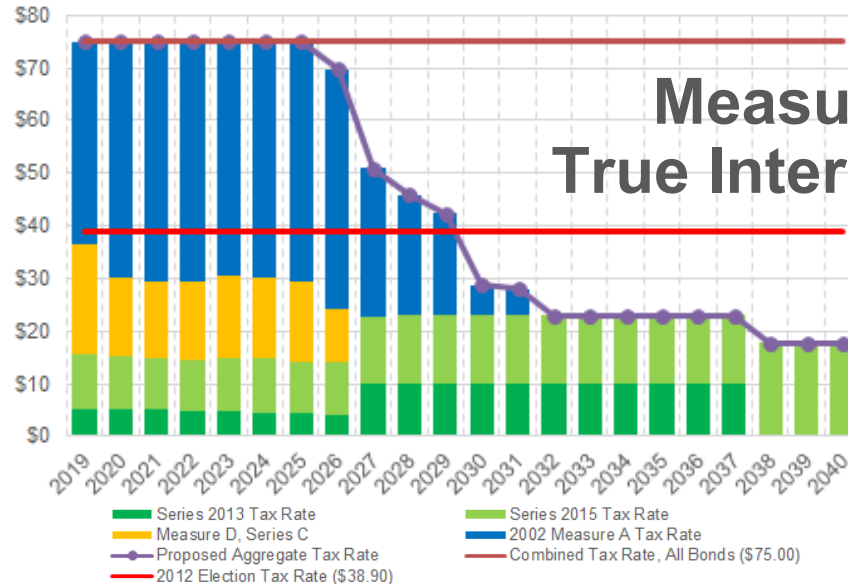
2012 Authorization - Measure D (\$260MM)		
Series	Principal Issued	Repayment Ratio
2013	\$74,995,000	1.70 to 1
2015	\$125,000,000	1.83 to 1
Final Series C New Money	\$60,005,000	1.08 to 1

Overall Payback Ratio = 1.59 to 1

Overall True Interest Costs = 3.47%

Overall Payback Term = 2013 to 2040

San Ramon Valley USD – 2012 Measure D Tax Rate* (for illustration only)



**Measure D Series C
True Interest Cost = 1.90%**

Local Funding Initiatives

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Potential Future G.O. Bond Authorization

Multiple potential funding scenarios exist that could generate between \$5 million and \$125 million (and beyond) immediately in a “Series A” offering.

The length of borrowing, the \$75 tax rate versus a new promise-level, interest rates and other consideration all play a role in structuring any potential “Series” under a next generation G.O. Bond Authorization.

Local Funding Initiatives

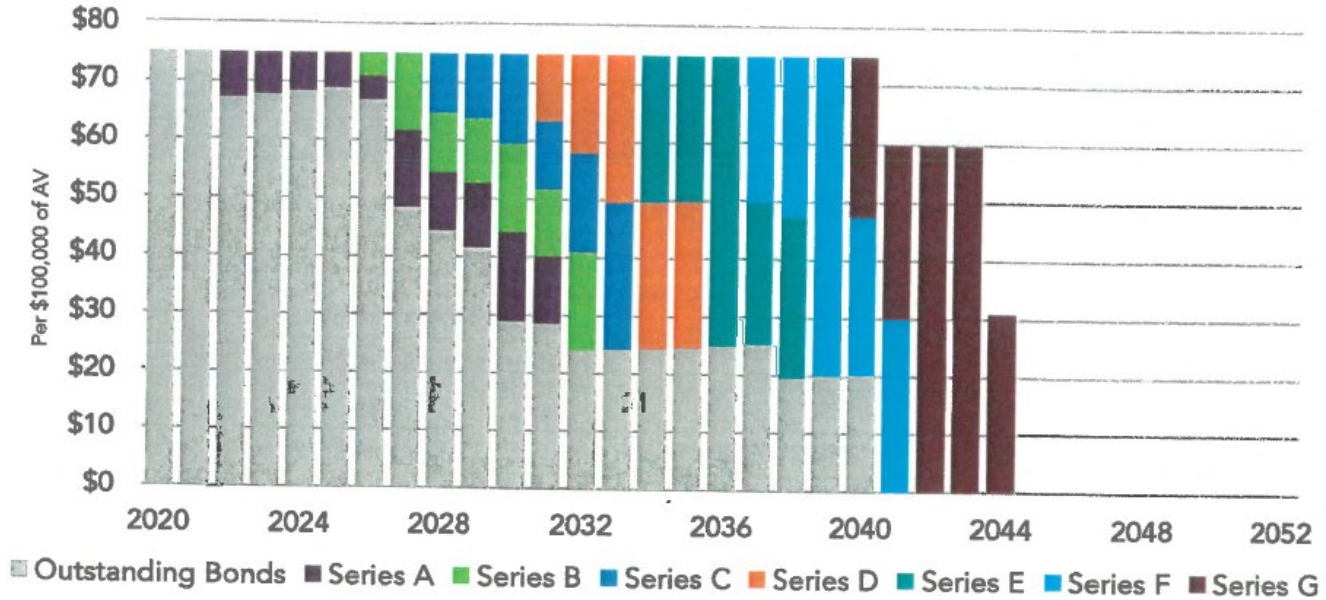
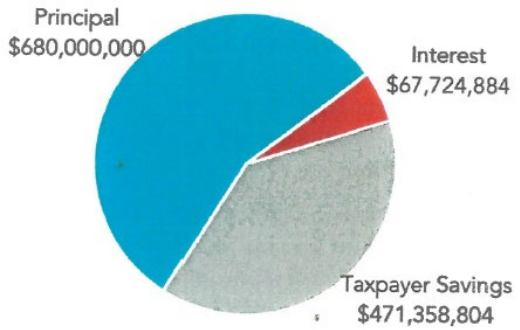
Potential Future G.O. Bond Authorization

Scenario 1

Year	Series	Term	Principal
2021	Series A	10 yrs	\$48,210,000
2024	Series B	8 yrs	\$49,415,000
2027	Series C	6 yrs	\$58,885,000
2030	Series D	5 yrs	\$73,835,000
2033	Series E	5 yrs	\$118,065,000
2036	Series F	5 yrs	\$139,250,000
2039	Series G	5 yrs	\$192,340,000
Total			\$680,000,000

Low Payback Ratios

1.10+/- to 1



■ Outstanding Bonds ■ Series A ■ Series B ■ Series C ■ Series D ■ Series E ■ Series F ■ Series G

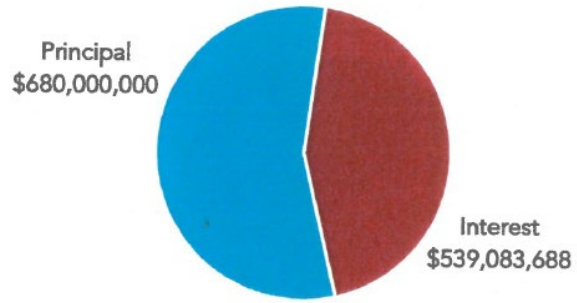
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Potential Future G.O. Bond Authorization

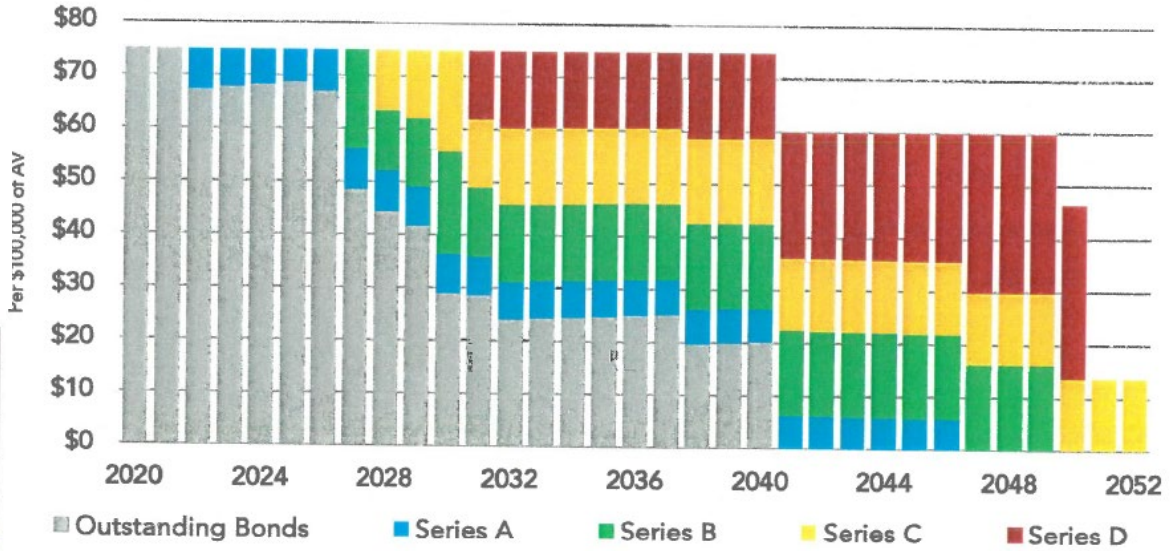
Scenario 2

Traditional Payback Ratios

1.80+/- to 1



Year	Series	Term	Principal
2021	Series A	25 yrs	\$76,590,000
2024	Series B	25 yrs	\$170,000,000
2027	Series C	25 yrs	\$190,000,000
2030	Series D	20 yrs	\$243,410,000
Total			\$680,000,000



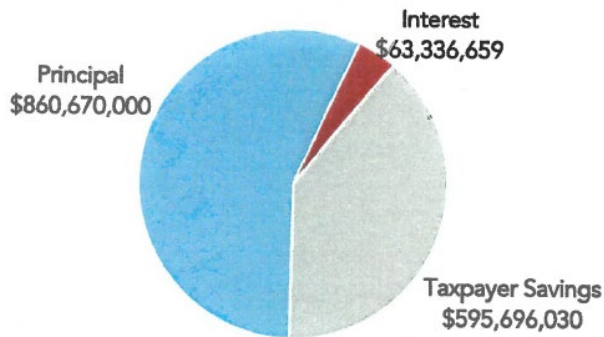
Local Funding Initiatives

Potential Future G.O. Bond Authorization

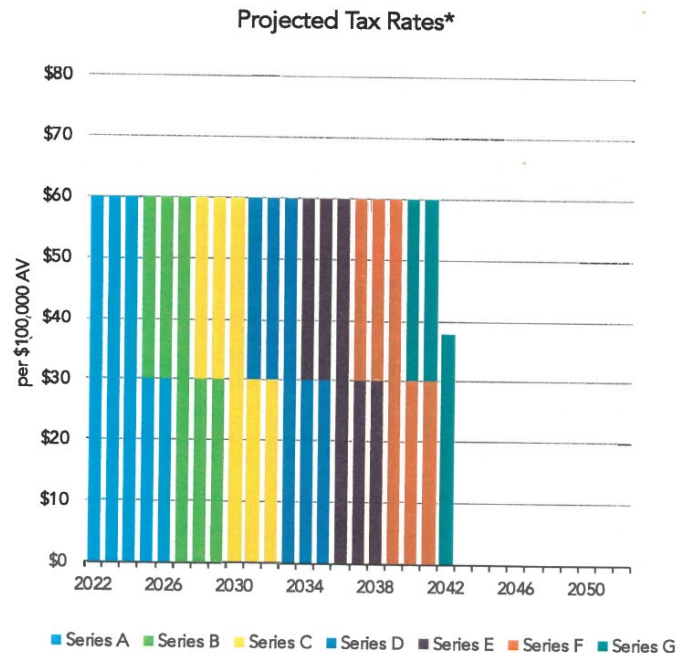
Scenario 3

Ultra-Low Payback Ratios

1.01-1.07 to 1



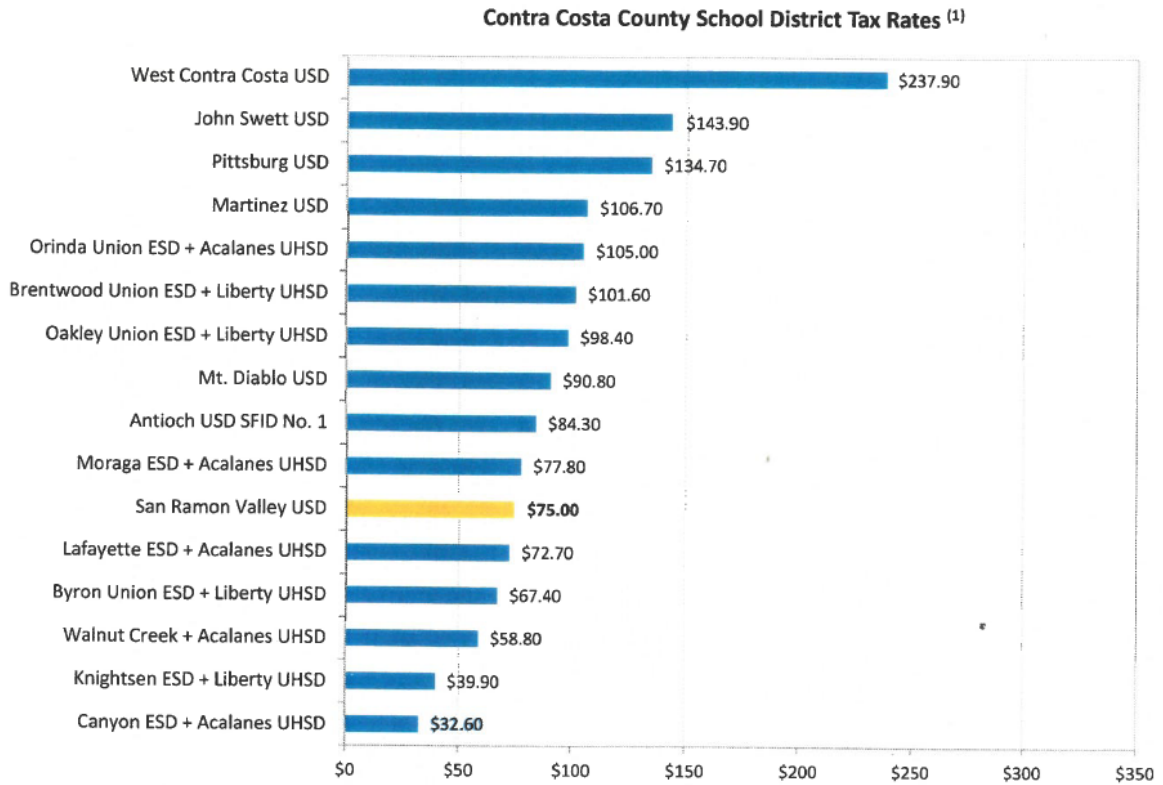
Estimated Bond Issuance Schedule			
Year	Series	Term	Principal
2021	Series A	5 years	\$129,775,000
2024	Series B	5 years	\$106,550,000
2027	Series C	5 years	\$116,430,000
2030	Series D	5 years	\$127,230,000
2033	Series E	5 years	\$139,025,000
2036	Series F	5 years	\$151,915,000
2039	Series G	3 years	\$89,745,000
Total			\$860,670,000



Local Funding Initiatives

Comparison to Other Contra Costa Tax Rates

The rates to the right are the K-12 tax rates throughout Contra Costa County. Most District also overlap with the Contra Costa County College District, which has a tax rate of \$18.80 per \$100,000 of assessed valuation.



Local Funding Initiatives

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Current Parcel Tax:

\$144/parcel generate approx. \$7.0 million

Approx. 50,000 parcel

Parcel Tax Possibilities:

Each Additional \$100/parcel = \$4.7 million

Projects for Next Gen G.O. Bond¹²

Potential Project Categories

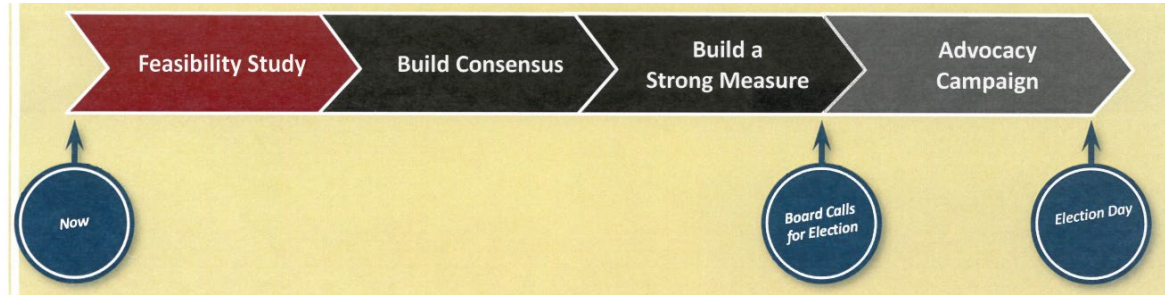
- Safety Investments
- Technology Investments
- Modernization and Maintenance Investments
 - Including General Fund Relief (Solar Debt and Other Utilities Savings)
- “Big Project” Modernization Investments

Workforce Housing

- Possible Rental Revenue Uses Include:
 - “Service the Debt” (“Pay down the Mortgage/Bond”)
 - General Fund
 - Facilities Modernization and Maintenance

Potential Timing to ask our Community to Support Local Funding Initiatives

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Presidential Primary = March 2020

Board Action Required By December 6, 2019

Presidential Election = November 2020

Board Action Required By August 7, 2020

Continuing Conversations with Potential Partners

- Financial Advisors

- Ballot-Measure-Advisors (Staff and Community Interests, Data Gathering, etc.)

 - City of San Ramon and Town of Danville

 - Contra Costa County

 - Sacramento

 - Other Partners (Private and Public)

Direction to Continue

- Engage Financial Advisory Partner
- Engage Ballot-Measure-Advisory Partner

Next Open Session Board Item on this Topic

- December 2019