

*[In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Refunding Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Refunding Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Refunding Bonds. The proposed form of opinion of Bond Counsel is contained in Appendix D hereto. See "TAX MATTERS" herein.]*

\$[ ]\*

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT**  
**(Contra Costa County, California)**  
**General Obligation Refunding Bonds, Series 2020**  
**(Federally Taxable)**

**Dated: Date of Delivery****Due: August 1, as shown herein**

*This cover page is not a summary of this issue; it is only a reference to the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.*

The San Ramon Valley Unified School District (Contra Costa County, California) General Obligation Refunding Bonds, Series 2020 (Federally Taxable) (the "Refunding Bonds"), are being issued by the San Ramon Valley Unified School District (the "District"), located in the County of Contra Costa, California (the "County"), (i) to refund a portion of the outstanding San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Refunding Bonds, Series 2012, [(ii) to refund a portion of the outstanding San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Refunding Bonds, Series 2013, (iii) to refund all of the outstanding San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Bonds, Election of 2012, Series 2013, (iv) to refund a portion of the outstanding San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Bonds, Election of 2012, Series 2015,] and (v) to pay costs of issuance with respect to the Refunding Bonds. The Refunding Bonds are being issued under the laws of the State of California (the "State") and pursuant to a resolution of the Board of Education of the District, adopted on September 15, 2020.

The Refunding Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law. The Board of Supervisors of the County is empowered and obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Refunding Bonds, all as more fully described herein. See "SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS" herein.

The Refunding Bonds will be issued as current interest bonds, as set forth on the inside front cover hereof. Interest on the Refunding Bonds is payable on each February 1 and August 1 to maturity, commencing February 1, 2021. Principal of the Refunding Bonds is payable on August 1 in each of the years and in the amounts set forth on the inside front cover hereof.

The Refunding Bonds will be issued in denominations of \$5,000 principal amount, or any integral multiple thereof as shown on the inside front cover hereof.

The Refunding Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Refunding Bonds. Individual purchases of the Refunding Bonds will be made in book-entry form only. Purchasers will not receive physical delivery of the Refunding Bonds purchased by them. See "THE REFUNDING BONDS – Form and Registration" herein. Payments of the principal of and interest on the Refunding Bonds will be made by The Bank of New York Mellon Trust Company, N.A., as paying agent, registrar and transfer agent with respect to the Refunding Bonds, to DTC for subsequent disbursement to DTC Participants, who will remit such payments to the beneficial owners of the Refunding Bonds. See "THE REFUNDING BONDS – Payment of Principal and Interest" herein.

**The Refunding Bonds are subject to redemption prior to maturity as described herein. See "THE REFUNDING BONDS — Redemption" herein.**

*The Refunding Bonds will be offered when, as and if issued by the District and received by the Underwriters, subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Irvine, California, Bond Counsel to the District. Certain legal matters*

\* Preliminary; subject to change.

*will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Irvine, California, as Disclosure Counsel to the District; and for the Underwriters by their counsel, Kutak Rock LLP, Denver, Colorado. It is anticipated that the Refunding Bonds, in definitive form, will be available for delivery through the facilities of DTC on or about \_\_\_\_\_, 2020.*

**Stifel**

**Barclays Capital, Inc.**

Dated [\_\_\_\_], 2020.

DRAFT

**MATURITY SCHEDULE**  
**BASE CUSIP<sup>†</sup>: 799408**

**\$[\_\_\_\_\_]\***  
**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT**  
**(Contra Costa County, California)**  
**General Obligation Refunding Bonds, Series 2020**  
**(Federally Taxable)**

<b>\$[_____] Serial Refunding Bonds</b>				
<u>Maturity (August 1,)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number<sup>†</sup></u>
	\$	%	%	

\$ \_\_\_\_\_ % Term Refunding Bonds due August 1, 20\_\_ – Yield \_\_\_\_\_% – CUSIP Number<sup>†</sup> \_\_\_\_\_

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\* Preliminary; subject to change.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT**  
**(Contra Costa County, California)**

**BOARD OF EDUCATION**

Greg Marvel, *President*  
Mark Jewett, *Vice President*  
Susanna Ordway, *Clerk*  
Ken Mintz, *Member*  
Rachel Hurd, *Member*

**DISTRICT ADMINISTRATORS**

John Malloy, *Superintendent*  
Gregory Medici, *Chief Business Officer*  
Christine Huajardo, *Assistant Superintendent of Educational Services*  
Keith Rogenski, *Assistant Superintendent of Human Resources*  
Daniel Hillman, *Assistant Superintendent of Facilities & Business Services*

**PROFESSIONAL SERVICES**

**Municipal Advisor**

Fieldman, Rolapp & Associates, Inc.  
*Irvine, California*

**Bond Counsel and Disclosure Counsel**

Orrick, Herrington & Sutcliffe LLP  
*Irvine, California*

**Paying Agent, Registrar, Transfer Agent and Escrow Bank**

The Bank of New York Mellon Trust Company, N.A.  
*Dallas, Texas*

**Verification Agent**

Cuasey Demgen & Moore P.C.  
*Denver, Colorado*

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This Official Statement does not constitute an offering of any security other than the original offering of the Refunding Bonds by the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The Refunding Bonds are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)2 thereof. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Refunding Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein other than that furnished by the District, although obtained from sources which are believed to be reliable, is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Refunding Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “budget,” “intend” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when their expectations, or events, conditions or circumstances on which such statements are based, occur.

The District maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Refunding Bonds.

In connection with this offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market prices of the Refunding Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Refunding Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside front cover page hereof and said public offering prices may be changed from time to time by the Underwriters.

\$[ ]\*

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT**  
**(Contra Costa County, California)**  
**General Obligation Refunding Bonds, Series 2020**  
**(Federally Taxable)**

**INTRODUCTION**

*This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Refunding Bonds to potential investors is made only by means of the entire Official Statement.*

**General**

This Official Statement, which includes the cover page, inside cover page and appendices hereto, is provided to furnish information in connection with the sale of \$[ ]\* aggregate principal amount of San Ramon Valley Unified School District (Contra Costa County, California) General Obligation Refunding Bonds, Series 2020 (Federally Taxable) (the “Refunding Bonds”), all as indicated on the inside front cover hereof, to be offered by the San Ramon Valley Unified School District (the “District”).

This Official Statement speaks only as of its date, and the information contained herein is subject to change. The District has no obligation to update the information in this Official Statement, except as required by the Continuing Disclosure Certificate to be executed by the District. See “OTHER LEGAL MATTERS – Continuing Disclosure” and APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

The purpose of this Official Statement is to supply information to prospective buyers of the Refunding Bonds. Quotations from and summaries and explanations of the Refunding Bonds, the resolution of the Board of Education of the District providing for the issuance of the Refunding Bonds, and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners of any of the Refunding Bonds.

Copies of documents referred to herein and information concerning the Refunding Bonds are available from the District by contacting: San Ramon Valley Unified School District, 699 Old Orchard Drive, Danville, California 94526, Attention: Chief Business Officer. The District may impose a charge for copying, handling and mailing such requested documents.

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\* Preliminary; subject to change.



## **The District**

The District, located in central Contra Costa County, California (the “County”), encompasses an area of approximately 104 square miles, and serves students from the City of San Ramon, the Town of Danville, and the unincorporated communities of Alamo, Diablo and Blackhawk, as well as a small portion of the City of Walnut Creek. The District is located about 30 miles east of San Francisco in the San Ramon Valley, a largely residential area at the western and southern fringes of Mt. Diablo, which, with an elevation of 3,849 feet, is one of the highest peaks in the San Francisco Bay area.

The District operates 22 elementary schools, eight middle schools, four high schools, an independent study program, a preschool and a continuation high school program. Enrollment was approximately [31,911] students for fiscal year 2019-20 and is budgeted to be approximately [31,694] students in fiscal year 2020-21. The District operates under the jurisdiction of the Contra Costa County Superintendent of Schools.

The governing board of the District is the Board of Education (the “Board”). The Board consists of five voting members and one nonvoting student member. The voting members are elected to four-year terms. Elections for positions to the Board are held every two years, alternating between two and three available positions. The day-to-day operations of the District are managed by a board-appointed Superintendent of Schools. John Malloy was appointed as Superintendent of Schools by the Board in June 2020.

For additional information about the District, see APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET” and APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2019.”

## **THE REFUNDING BONDS**

### **Authority for Issuance; Plan of Refunding**

The Refunding Bonds are issued by the District pursuant to the Constitution and laws of the State, including Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and other applicable provisions of law, and pursuant to a resolution adopted by the Board of Education of the District on September 15, 2020, providing for the issuance of the Refunding Bonds (the “Resolution”). Proceeds from the Refunding Bonds will be used (i) to refund a portion of the outstanding San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Refunding Bonds, Series 2012 (the “Prior 2012 Refunding Bonds”), [(ii) to refund a portion of the outstanding San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Refunding Bonds, Series 2013 (the “Prior 2013 Refunding Bonds”), (iii) to refund the outstanding San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Bonds, Election of 2012, Series 2013 (the “Prior 2013 New Money Bonds”), (iv) to refund a portion of the outstanding San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Bonds, Election of 2012, Series 2015 (the “Prior 2015 Bonds”)], and (v) to pay costs of issuance with respect to the Refunding Bonds. See “–Plan of Refunding” and “–Estimated Sources and Uses of Funds” below.

### **Form and Registration**

The Refunding Bonds will be issued in fully registered form only, without coupons, in denominations of \$5,000 principal amount or integral multiples thereof. The Refunding Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New

York, New York. DTC will act as securities depository of the Refunding Bonds. Purchases of Refunding Bonds under the DTC book-entry system must be made by or through a DTC participant, and ownership interests in Refunding Bonds will be recorded as entries on the books of said participants. Except in the event that use of this book-entry system is discontinued for the Refunding Bonds, beneficial owners of the Refunding Bonds (“Beneficial Owners”) will not receive physical certificates representing their ownership interests. See APPENDIX G – “BOOK-ENTRY ONLY SYSTEM.”

## **Payment of Principal and Interest**

**Interest.** The Refunding Bonds will be dated as of their date of delivery, and bear interest at the rates set forth on the inside front cover page of this Official Statement, payable on February 1 and August 1 of each year (each, an “Interest Payment Date”), commencing on February 1, 2021, computed on the basis of a 360-day year consisting of twelve 30-day months. Each Refunding Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on the 15th day of the calendar month immediately preceding an Interest Payment Date (the “Record Date”) and on or prior to the succeeding Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date, in which event it will bear interest from its dated date; provided, however, that if, at the time of authentication of any Refunding Bond, interest is in default on any outstanding Refunding Bonds, such Refunding Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Refunding Bonds.

**Payment of Refunding Bonds.** The principal of the Refunding Bonds is payable in lawful money of the United States of America upon the surrender thereof at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., as paying agent (the “Paying Agent”) at the maturity thereof or upon redemption prior to maturity.

Interest on the Refunding Bonds is payable in lawful money of the United States of America by check on each Interest Payment Date (if a business day, or on the next business day if the Interest Payment Date does not fall on a business day) to the registered owner thereof (the “Owner”) at such Owner’s address as it appears on the bond registration books kept by the Paying Agent or at such address as the Owner may have filed with the Paying Agent for that purpose, except that the payment shall be made by wire transfer of immediately available funds to any Owner of at least \$1,000,000 of outstanding Refunding Bonds who shall have requested in writing such method of payment of interest prior to the close of business on a Record Date. So long as the Refunding Bonds are held by Cede & Co., as nominee of DTC, payment shall be made by wire transfer. See APPENDIX G – “BOOK-ENTRY ONLY SYSTEM.”

## **Redemption\***

**Optional Redemption.** The Refunding Bonds maturing on or before August 1, 20\_\_, are not subject to optional redemption prior to their respective stated maturity dates. The Refunding Bonds maturing on or after August 1, 20\_\_, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20\_\_, at a redemption price equal to the principal amount of the Refunding Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

**Mandatory Sinking Fund Redemption.** The \$\_\_\_\_\_ term Refunding Bonds maturing on August 1, 20\_\_ are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100%

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\* Preliminary; subject to change.

of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
	\$

†  
Maturity.

The principal amount of the \$\_\_\_\_\_ term Refunding Bonds maturing on August 1, 20\_\_, to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000, by any portion of such term Refunding Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

***Selection of Refunding Bonds for Redemption.*** If less than all of the Refunding Bonds are called for redemption, the Refunding Bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District. Whenever less than all of the outstanding Refunding Bonds of any given maturity are called for redemption, the Paying Agent shall select the outstanding Refunding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Refunding Bond shall be deemed to consist of individual Refunding Bonds of denominations of \$5,000 principal amount, which may be separately redeemed.

***Notice of Redemption.*** Notice of any redemption of the Refunding Bonds is to be mailed by the Paying Agent, postage prepaid, not less than 20 nor more than 60 days prior to the redemption date (i) by first class mail to the County and the respective Owners thereof at the addresses appearing on the Registration Books, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate with respect to the Refunding Bonds. See APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Each notice of redemption is to contain the following information: (i) the date of such notice; (ii) the name of the Refunding Bonds and the date of issue of the Refunding Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity or maturities of Refunding Bonds to be redeemed; (vi) if less than all of the Refunding Bonds of any maturity are to be redeemed, the distinctive numbers of the Refunding Bonds of each maturity to be redeemed; (vii) in the case of Refunding Bonds redeemed in part only, the respective portions of the principal amount of the Refunding Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Refunding Bonds to be redeemed; (ix) a statement that such Refunding Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Refunding Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice. Neither the failure to receive the notice of redemption, nor any defect in such notice is to affect the sufficiency of the proceedings for the redemption of the Refunding Bonds called for redemption or the cessation of interest on the date fixed for redemption.

***Effect of Notice of Redemption.*** When notice of redemption has been given substantially as described above, and when the redemption price of the Refunding Bonds called for redemption is set aside for the purpose of redeeming the Refunding Bonds, the Refunding Bonds designated for redemption

becomes due and payable on the specified redemption date and interest ceases to accrue thereon as of the redemption date, and upon presentation and surrender of such Refunding Bonds at the place specified in the notice of redemption, such Refunding Bonds are to be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Refunding Bonds so called for redemption after such redemption date shall look for the payment of such Refunding Bonds and the redemption premium thereon, if any, only from moneys on deposit in the interest and sinking fund of the District within the County treasury (the "Interest and Sinking Fund") or the trust fund established for such purpose. All Refunding Bonds redeemed are to be cancelled forthwith by the Paying Agent and are not to be reissued.

***Right to Rescind Notice.*** The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Refunding Bonds so called for redemption. Any optional redemption and notice thereof are to be rescinded if for any reason on the date fixed for redemption moneys are not available in the Interest and Sinking Fund of the District or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Refunding Bonds called for redemption. Notice of rescission of redemption is to be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Refunding Bond of notice of such rescission is not a condition precedent to rescission, and failure to receive such notice or any defect in such notice does not affect the validity of the rescission.

***Funds for Redemption.*** Prior to or on the redemption date of any Refunding Bonds there is to be available in the Interest and Sinking Fund of the District, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the redemption prices as provided in the Resolution provided, the Refunding Bonds designated in the notice of redemption. Such monies are to be applied on or after the redemption date solely for payment of principal of, interest and premium, if any, on the Refunding Bonds to be redeemed upon presentation and surrender of such Refunding Bonds, provided that all monies in the Interest and Sinking Fund of the District are to be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date is to be paid from the Interest and Sinking Fund of the District, unless otherwise provided to be paid from such monies held in trust. If, after all of the Refunding Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the Interest and Sinking Fund of the District or otherwise held in trust for the payment of redemption price of the Refunding Bonds, the monies are to be held in or returned or transferred to the Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from such fund; provided, however, that if the monies are part of the proceeds of bonds of the District, the monies are to be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, the monies are to be transferred to the general fund of the District as provided and permitted by law.

### **Defeasance of Refunding Bonds**

The District may pay and discharge any or all of the Refunding Bonds by depositing in trust with the Paying Agent or an escrow agent at or before maturity, money and/or non-callable direct obligations of the United States of America (including zero interest bearing State and Local Government Series) or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available monies then on deposit in the Interest and Sinking Fund of the District, be fully sufficient to pay and discharge the indebtedness on such Refunding Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

## Unclaimed Money

Any money held in any fund created pursuant to the Resolution, or by the Paying Agent or an escrow agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Refunding Bonds and remaining unclaimed for two years after the principal of all of the Refunding Bonds has become due and payable (whether by maturity or upon prior redemption) is to be transferred to the Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from such fund; or, if no such bonds of the District are at such time outstanding, the monies are required to be transferred to the general fund of the District as provided and permitted by law.

## Plan of Refunding\*

The Refunding Bonds will be issued (i) to refund a portion of the outstanding Prior 2012 Refunding Bonds, maturing on August 1 in the years [2023 through 2029, inclusive] (the “Refunded 2012 Refunding Bonds”), [(ii) to refund a portion of the outstanding Prior 2013 Refunding Bonds, maturing on August 1 in the years [2024 through 2031, inclusive] (the “Refunded 2013 Refunding Bonds”), (iii) to refund the outstanding Prior 2013 New Money Bonds, maturing on August 1 in the years [2027 through 2029, inclusive, 2031, 2033 and 2037] (the “Refunded 2013 New Money Bonds”), (iv) to refund a portion of the outstanding Prior 2015 Bonds, maturing on August 1 in the years [2026 through 2036, inclusive, and 2040] (the “Refunded 2015 Bonds” and together with the Refunded 2012 Refunding Bonds, the Refunded 2013 Refunding Bonds and the Refunded 2013 New Money Bonds, the “Refunded Bonds”),] and (v) to pay certain costs of issuance of the Refunding Bonds.

### PRIOR 2012 REFUNDING BONDS TO BE REFUNDED\*

Maturity Date (August 1,)	Original Principal Amount	Interest Rate	CUSIP Number <sup>(1)</sup>	Redemption Date	Redemption Price
2023	\$14,590,000	5.000%	799408 P78	August 1, 2022	100.000%
2024	8,425,000	5.000	799408 Q77	August 1, 2022	100.000
2024	8,425,000	4.000	799408 P86	August 1, 2022	100.000
2025	18,610,000	4.000	799408 P94	August 1, 2022	100.000
2026	18,415,000	4.000	799408 Q28	August 1, 2022	100.000
2027	11,895,000	5.000	799408 Q36	August 1, 2022	100.000
2028	9,930,000	5.000	799408 Q44	August 1, 2022	100.000
2029	5,915,000	5.000	799408 Q51	August 1, 2022	100.000

### PRIOR 2013 REFUNDING BONDS TO BE REFUNDED\*

Maturity Date (August 1,)	Original Principal Amount	Interest Rate	CUSIP Number <sup>(1)</sup>	Redemption Date	Redemption Price
2024	\$3,820,000	5.000	799408 S34	August 1, 2023	100.000%
2025	4,555,000	4.000	799408 S42	August 1, 2023	100.000
2026	6,775,000	5.000	799408 S59	August 1, 2023	100.000
2027	4,160,000	5.000	799408 S67	August 1, 2023	100.000
2028	4,150,000	4.000	799408 S75	August 1, 2023	100.000
2029	7,020,000	4.000	799408 S83	August 1, 2023	100.000
2030	4,070,000	3.000	799408 S91	August 1, 2023	100.000
2031	3,710,000	3.000	799408 T25	August 1, 2023	100.000

\* Preliminary; subject to change.

<sup>(1)</sup> CUSIP numbers are provided for convenience of reference only. None of the District, the Underwriters or their agents or counsel assumes responsibility for the accuracy of such CUSIP numbers.

**PRIOR 2013 NEW MONEY BONDS TO BE REFUNDED\***

Maturity Date (August 1,)	Original Principal Amount	Interest Rate	CUSIP Number <sup>(1)</sup>	Redemption Date	Redemption Price
2027	\$4,040,000	4.000%	799408 U80	August 1, 2023	100.000%
2028	4,480,000	4.000	799408 U98	August 1, 2023	100.000
2029	4,910,000	3.000	799408 V22	August 1, 2023	100.000
2031	11,075,000	3.000	799408 V48	August 1, 2023	100.000
2033	13,040,000	3.125	799408 V63	August 1, 2023	100.000
2037	33,460,000	4.000	799408 W21	August 1, 2023	100.000

**PRIOR 2015 BONDS TO BE REFUNDED\***

Maturity Date (August 1,)	Original Principal Amount	Interest Rate	CUSIP Number <sup>(1)</sup>	Redemption Date	Redemption Price
2026	\$ 1,255,000	5.000%	799408 W62	August 1, 2025	100.000%
2027	3,340,000	5.000	799408 W70	August 1, 2025	100.000
2028	3,885,000	5.000	799408 W88	August 1, 2025	100.000
2029	4,435,000	4.000	799408 W96	August 1, 2025	100.000
2030	4,990,000	4.000	799408 X20	August 1, 2025	100.000
2031	5,565,000	4.000	799408 X38	August 1, 2025	100.000
2032	6,170,000	4.000	799408 X46	August 1, 2025	100.000
2033	6,815,000	4.000	799408 X53	August 1, 2025	100.000
2034	7,495,000	4.000	799408 X61	August 1, 2025	100.000
2035	8,225,000	4.000	799408 X79	August 1, 2025	100.000
2036	9,010,000	4.000	799408 X87	August 1, 2025	100.000
2040	61,240,000	4.000	799408 X95	August 1, 2025	100.000

The maturities of the District's outstanding Prior 2012 Refunding Bonds, Prior 2013 Refunding Bonds and Prior 2015 Bonds listed in the following tables will not be refunded with proceeds of the Refunding Bonds.

**UNREFUNDED PRIOR 2012 REFUNDING BONDS\***

Maturity Date (August 1,)	Original Principal Amount	Interest Rate	CUSIP Number <sup>(1)</sup>
2020	\$ 500,000	3.000%	799408 P45
2020	13,645,000	4.000	799408 Q69
2021	15,615,000	4.000	799408 P52
2022	10,975,000	5.000	799408 P60

**UNREFUNDED PRIOR 2013 REFUNDING BONDS\***

Maturity Date (August 1,)	Original Principal Amount	Interest Rate	CUSIP Number <sup>(1)</sup>
2020	\$ 145,000	4.000%	799408 R76
2021	150,000	4.000	799408 R84
2022	6,360,000	4.000	799408 R92
2023	4,005,000	5.000	799408 S26

\* Preliminary; subject to change.

<sup>(1)</sup> CUSIP numbers are provided for convenience of reference only. None of the District, the Underwriters or their agents or counsel assumes responsibility for the accuracy of such CUSIP numbers.

**UNREFUNDED PRIOR 2015 BONDS\***

Maturity Date (August 1,)	Original Principal Amount	Interest Rate	CUSIP Number <sup>(1)</sup>
2022	\$ 125,000	5.000%	799408 Y29
2023	640,000	5.000	799408 W39
2024	875,000	5.000	799408 W47
2025	935,000	4.000	799408 W54

The District and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the “Escrow Bank”) will enter into the Escrow Agreement, dated as of [ ] 1, 2020 (the “Escrow Agreement”), with respect to the Refunded Bonds, pursuant to which the District will deposit a portion of the proceeds from the sale of the Refunding Bonds into a special fund to be held by the Escrow Bank. The amounts deposited with the Escrow Bank with respect to the Refunded Bonds, which will be held pursuant to the Escrow Agreement, will be used to purchase non-callable direct and general obligations of the United States of America, or other non-callable obligations that are guaranteed as to principal and interest by the United States of America (collectively, “Defeasance Securities”), the principal of and interest on which (together with any uninvested amount) will be sufficient to enable the Escrow Bank to pay the interest due on the Refunded Bonds being refunded to their respective redemption date (on August 1, 2022 with respect to the Refunded 2012 Refunding Bonds, [August 1, 2023 with respect to the Refunded 2013 Refunding Bonds and the Refunded 2013 New Money Bonds, and August 1, 2025 with respect to the Refunded 2015 Bonds]), and to redeem such Refunded Bonds at a redemption price equal to 100% of the principal amount of such Refunded Bonds being refunded on the applicable redemption date in accordance with the schedule set forth in the Escrow Agreement. See “ESCROW VERIFICATION” herein. Amounts on deposit with the Escrow Bank pursuant to the Escrow Agreement are not available to pay debt service on the Refunding Bonds.

**Estimated Sources and Uses of Funds**

The proceeds of the Refunding Bonds are expected to be applied as follows:

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT  
(Contra Costa County, California)  
General Obligation Refunding Bonds, Series 2020  
(Federally Taxable)**

**Estimated Sources and Uses of Funds**

Sources of Funds:

Aggregate Principal Amount of Refunding Bonds	\$
Total Sources of Funds	\$

Uses of Funds:

Escrow Fund	\$
Costs of Issuance <sup>(1)</sup>	
Total Uses of Funds	\$

<sup>(1)</sup> Includes legal fees, municipal advisor fees, rating agency fees, verification agent fees, printing fees and other miscellaneous expenses.

\* Preliminary; subject to change.

<sup>(1)</sup> CUSIP numbers are provided for convenience of reference only. None of the District, the Underwriters or their agents or counsel assumes responsibility for the accuracy of such CUSIP numbers.

## Debt Service

Debt service on the Refunding Bonds, assuming no early redemptions, is as set forth in the following table.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT**  
**(Contra Costa County, California)**  
**General Obligation Refunding Bonds, Series 2020**  
**(Federally Taxable)**

Year Ending August 1,	Principal	Interest	Total Debt Service
	\$	\$	\$
Total:	\$	\$	\$

## Outstanding Bonds

In addition to the Refunding Bonds (and not accounting for the planned refunding of the Refunded Bonds with proceeds of the Refunding Bonds), the District has five series of general obligation bonds outstanding, each of which is secured by *ad valorem* taxes upon all property subject to taxation by the District on a parity with the Refunding Bonds.

**2002 Authorization.** The District received authorization at an election held on November 5, 2002 (the “2002 Authorization”), to issue bonds of the District in an aggregate principal amount not to exceed \$260,000,000 to finance specific construction and modernization projects approved by the voters. On March 20, 2003, the County, at the request of the District, issued the San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Bonds, Election of 2002, Series 2003 (the “Series 2003 Bonds”) in the aggregate principal amount of \$72,000,000, as the first series of bonds to be issued under the 2002 Authorization. On October 28, 2004, the County, at the request of the District, issued the San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Bonds, Election of 2002, Series 2004 (the “Series 2004 Bonds”) in the aggregate principal amount of \$100,000,000, as the second series of bonds to be issued under the 2002 Authorization. On August 2, 2006, the County, at the request of the District, issued the San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Bonds, Election of 2002, Series 2006 (the “Series 2006 Bonds”) in the aggregate principal amount of \$88,000,000, as the third and final series of bonds to be issued under the 2002 Authorization. On July 17, 2012, the District issued its Prior 2012 Refunding Bonds in the aggregate principal amount of \$167,945,000 to refund and defease a portion of the Series 2003 Bonds, a portion of the Series 2004 Bonds and a portion of the Series 2006 Bonds. The Series 2003 Bonds and Series 2004 Bonds not so refunded have matured. On February 14, 2013, the District issued its Prior 2013 Refunding Bonds in the aggregate principal amount of \$52,200,000 to refund and defease the Series 2006 Bonds maturing on and after August 1, 2017. The Series 2006 Bonds not so refunded have matured.

**2012 Authorization.** At an election held on November 6, 2012, the District received authorization under Measure D to issue bonds of the District in an aggregate principal amount not to exceed \$260,000,000



to improve local elementary, middle and high school classrooms, labs and learning facilities by adding classrooms to prevent school overcrowding; upgrading fire, security and earthquake safety; updating science labs, and instructional technology infrastructure for 21st-century learning; improving energy efficiency; and renovating, constructing and equipping schools, facilities and classrooms (the “2012 Authorization”). Measure D required approval by at least 55% of the votes cast by eligible voters within the District and received an approval vote of approximately 56.83%. On March 13, 2013, the District issued its Prior 2013 New Money Bonds in the aggregate principal amount of \$74,995,000 as its first series of bonds to be issued under the 2012 Authorization. On April 23, 2015, the District issued its Prior 2015 Bonds in the aggregate principal amount of \$125,000,000 as its second series of bonds to be issued under the 2012 Authorization. On December 20, 2018, the District issued the San Ramon Valley Unified School District (County of Contra Costa, California) General Obligation Bonds, Election of 2012, Series 2018 (the “Series 2018 Bonds”) in the aggregate principal amount of \$60,006,000 as its third and final series of bonds to be issued under the 2012 Authorization.

As described herein, the proceeds of the Refunding Bonds are expected to be used to refund the Refunded Bonds. See “– Plan of Refunding.”

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## Aggregate Debt Service

The following table sets forth the annual aggregate debt service requirements of all outstanding bonds of the District, assuming no optional redemptions.

### SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT (Contra Costa County, California) General Obligation Bonds – Aggregate Debt Service

Year Ending August 1,	Prior 2012 Refunding Bonds	Prior 2013 Refunding Bonds	Prior 2013 New Money Bonds	Prior 2015 Bonds	Series 2018 Bonds	Refunding Bonds	Aggregate Total Debt Service
2021	\$21,144,100	\$2,210,800	\$2,566,250	\$5,101,200	\$7,227,250	\$	\$
2022	15,879,500	8,414,800	2,566,250	5,226,200	7,650,750		
2023	18,945,750	5,805,400	2,566,250	5,734,950	8,175,000		
2024	20,476,250	5,420,150	2,566,250	5,937,950	8,403,250		
2025	21,478,000	5,964,150	2,566,250	5,954,200	8,543,250		
2026	20,538,600	8,001,950	2,566,250	6,236,800	7,308,000		
2027	13,282,000	5,048,200	6,606,250	8,259,050	-		
2028	10,722,250	4,830,200	6,884,650	8,637,050	-		
2029	6,210,750	7,534,200	7,135,450	8,992,800	-		
2030	-	4,303,400	7,388,150	9,370,400	-		
2031	-	3,821,300	7,683,850	9,745,800	-		
2032	-	-	8,005,900	10,128,200	-		
2033	-	-	8,330,275	10,526,400	-		
2034	-	-	8,698,400	10,933,800	-		
2035	-	-	9,049,000	11,364,000	-		
2036	-	-	9,408,800	11,820,000	-		
2037	-	-	9,786,400	12,294,600	-		
2038	-	-	-	17,815,800	-		
2039	-	-	-	18,530,400	-		
2040	-	-	-	19,271,200	-		
Total:	<u>\$148,677,200</u>	<u>\$61,354,550</u>	<u>\$104,374,625</u>	<u>\$201,880,800</u>	<u>\$47,307,500</u>		

Source: Fieldman, Rolapp & Associates, Inc.

## SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS

### General

In order to provide sufficient funds for repayment of principal and interest when due on the Refunding Bonds, the Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the District. When collected, the tax revenues will be deposited by the County in the Interest and Sinking Fund of the District, which is required to be maintained by the County and to be used solely for the payment of bonds of the District.

The Refunding Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law, and are not a debt or obligation of the County. No fund of the County is pledged or obligated to repayment of the Refunding Bonds.

## **Statutory Lien on Taxes (Senate Bill 222)**

Pursuant to Section 53515 of the California Government Code (which became effective on January 1, 2016), all general obligation bonds issued by local agencies, including refunding bonds, will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. Section 53515 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the bonds are executed and delivered. Section 53515 further provides that the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding and enforceable against the local agency, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

## **Pledge of Tax Revenues**

The District has pledged all revenues from the *ad valorem* taxes collected from the levy by the Board of Supervisors of the County for the payment of all bonds, including the Refunding Bonds (collectively, the “Bonds”), of the District heretofore or hereafter issued pursuant to voter approved measures of the District and amounts on deposit in the Interest and Sinking Fund of the District to the payment of the principal or redemption price of and interest on the Bonds. The Resolution provides that the property taxes and amounts held in the Interest and Sinking Fund of the District shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the Interest and Sinking Fund of the District to secure the payment of the Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. The Resolution provides that this pledge constitutes an agreement between the District and the owners of Bonds to provide security for the Bonds in addition to any statutory lien that may exist, and the Bonds secured by the pledge are or were issued to finance (or refinance) one or more of the projects specified in the applicable voter-approved measure.

## **Property Taxation System**

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the District. School districts receive property taxes for payment of voter-approved bonds as well as for general operating purposes.

Local property taxation is the responsibility of various county officers. School districts whose boundaries extend into more than one county are treated for property tax purposes as separate jurisdictions in each county in which they are located. For each school district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding bonds in each year, the county auditor-controller computes the rate of tax necessary to pay such debt service, and presents the tax rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. The county treasurer-tax collector prepares and mails tax bills to taxpayers and collects the taxes. Both the county auditor-controller and the county treasurer-tax collector have accounting responsibilities related to the collecting of property taxes. Once collected, the county auditor-controller apportions and distributes the taxes to the various taxing entities and related funds and accounts. The county treasurer-tax collector, the superintendent of schools of which has jurisdiction over the school district, holds school district funds, including taxes collected for payment of bonds issued by school districts, and is charged with payment of principal and interest on the bonds when due, as ex officio treasurer of the school district.

## Assessed Valuation of Property Within the District

Taxable property located in the District has a fiscal year 2020-21 assessed value of \$[\_\_\_\_\_]. All property (real, personal and intangible) is taxable unless an exemption is granted by the California Constitution or United States law. Under the State Constitution, exempt classes of property include household and personal effects, intangible personal property (such as bank accounts, stocks and bonds), business inventories, and property used for religious, hospital, scientific and charitable purposes. The State Legislature may create additional exemptions for personal property, but not for real property. Most taxable property is assessed by the assessor of the county in which the property is located. Some special classes of property are assessed by the State Board of Equalization, as described below.

Taxes are levied for each fiscal year on taxable real and personal property assessed as of the preceding January 1, at which time the lien attaches. The assessed value is required to be adjusted during the course of the year when property changes ownership or new construction is completed. State law also affords an appeal procedure to taxpayers who disagree with the assessed value of any property. When necessitated by changes in assessed value during the course of a year, a supplemental assessment is prepared so that taxes can be levied on the new assessed value before the next regular assessment roll is completed. See “—Appeals of Assessed Valuation; Blanket Reductions of Assessed Values” below.

Under the State Constitution, the State Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District, since the property’s value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the District to a State-assessed utility will have the opposite effect: generally reducing the assessed value in the District, as the value is shared among the other jurisdictions in the County. The District is unable to predict future transfers of State-assessed property in the District and the County, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State’s methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

Locally taxed property is classified either as “secured” or “unsecured,” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is “unsecured,” and is assessed on the “unsecured roll.” Secured property assessed by the State Board of Equalization is commonly identified for taxation purposes as “utility” property.

The following table sets forth the assessed valuation of the various classes of property in the District’s boundaries from fiscal year 1998-99 through 2020-21.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT**  
**(Contra Costa County, California)**  
**Assessed Valuations**  
**Fiscal Years 1998-99 through 2020-21**

[To be updated.]

Fiscal Year	Local Secured	Utility	Unsecured	Total Valuation	Annual % Change
1998-99	\$14,289,384,206	\$12,032,571	\$414,173,083	\$14,715,589,860	--
1999-00	15,560,485,260	359,772	389,604,370	15,950,449,402	8.39%
2000-01	17,044,335,109	359,772	432,459,995	17,477,154,876	9.57
2001-02	18,973,640,814	381,584	513,646,741	19,487,669,139	11.50
2002-03	20,591,112,709	381,584	495,773,772	21,087,268,065	8.21
2005-06	27,477,540,099	488,365	447,158,445	27,925,186,909	11.97
2006-07	30,951,805,499	801,750	503,065,924	31,455,673,173	12.64
2007-08	33,490,205,068	488,449	537,016,253	34,027,709,770	8.18
2008-09	34,803,049,136	488,449	566,872,339	35,370,409,924	3.95
2009-10	34,176,245,890	1,645,966	545,779,373	34,723,671,229	-1.83
2010-11	33,391,709,563	483,521	513,314,478	33,905,510,562	-2.36
2011-12	33,484,556,273	1,279,399	513,915,184	33,999,750,856	0.28
2012-13	33,557,398,093	1,279,399	498,698,616	34,057,376,108	0.17
2013-14	35,593,547,414	1,279,399	538,150,593	36,132,977,406	6.09
2014-15	38,480,663,138	1,122,298	553,439,841	39,035,225,277	8.03
2015-16	41,488,028,449	425,894	519,849,412	42,008,303,755	7.62
2016-17	43,945,708,242	425,894	554,969,830	44,501,103,966	5.93
2017-18	46,463,173,966	426,830	507,796,729	46,971,394,525	5.55
2018-19	48,934,659,024	1,020,072	519,538,560	49,455,217,656	5.29
2019-20	41,486,187,377	1,020,072	555,856,031	52,043,063,480	[5.23]
2020-21					

% Change, 1998-99 to 2020-21 [ ]%

Annual Compound Growth, 1998-99 to 2020-21 [ ]%

Source: Assessed valuation information from California Municipal Statistics, Inc.; Annual % change, % change and Annual Compound Growth provided by Stifel, Nicolaus & Company, Incorporated.

***Risk of Decline in Property Values.*** Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control, such as a general market decline in property values including potential market declines caused by the effects of a pandemic, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, drought, flood, landslide, liquefaction, levee failure, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year. See also "*Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*" below.

***Risk of Changing Economic Conditions.*** Property values could be reduced by factors beyond the District's control, including an earthquake, or a depressed real estate market due to general economic conditions in the County, the region, and the State. With the outbreak of COVID-19, the world is currently experiencing a global pandemic. The pandemic may result in an economic recession or depression that causes a general market decline in property values therefore affecting the assessed value of property in the District. For more information on the impact of the COVID-19 pandemic, see APPENDIX A – "DISTRICT

***Risk of Earthquake.*** Property values could be reduced by the complete or partial destruction of taxable property as a result of an earthquake. The District is located in a seismically active region. The notable earthquake faults include the San Andreas and Hayward faults.

***Risk of Drought.*** In recent years the State has experienced severe drought conditions. In January 2014, the Governor declared a state-wide Drought State of Emergency due to the State facing serious water shortfalls due to the driest year in recorded history in the State and the resultant record low levels measured in State rivers and reservoirs. The California State Water Resources Control Board (the “State Water Board”) subsequently issued a Statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor of the State lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures. It is not possible for the District to make any representation regarding the extent to which drought conditions could cause reduced economic activity within the boundaries of the District or the extent to which the drought has had or may have in the future on the value of taxable property within the District.

***Wildfire.*** In recent years, portions of California, including the County and adjacent counties, have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures. Property damage due to wildfire could result in a significant decrease in the assessed value of property in the District. It is not possible for the District to make any representation regarding the extent to which wildfires could cause reduced economic activity within the boundaries of the District or the extent to which wildfires may impact the value of taxable property within the District.

***Appeals of Assessed Valuation; Blanket Reductions of Assessed Values.*** There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction or reconstruction activity occurs. Any base year appeal must be made within four years of the change of ownership or new construction date.

The second type of appeal, commonly referred to as a Proposition 8 appeal (which Proposition 8 was approved by the voters in 1978), can result if factors occur causing a decline in the market value of the property to a level below the property’s then current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner’s property by filing a written application with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner’s property in any one year must submit an application to the county assessment appeals board (the “Appeals Board”). Following a review of the application by the county assessor’s office, the county assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal’s filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (such pre-reduction level escalated by the annual inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the

then-current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition, Article XIII A of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis. According to representatives of the County assessor's office, the County has in the past, pursuant to Article XIII A of the State Constitution, ordered blanket reductions of assessed property values and corresponding property tax bills on single family residential properties when the value of the property has declined below the current assessed value as calculated by the County.

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the District in the future.

See APPENDIX A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Limitations on Revenues” for a discussion of other limitations on the valuation of real property with respect to *ad valorem* taxes.

**Bonding Capacity.** As a unified school district, the District may issue bonds in an amount up to 2.50% of the assessed valuation of taxable property within its boundaries. The District’s fiscal year 2020-21 gross bonding capacity (also commonly referred to as the “bonding limit” or “debt limit”) is approximately \$[ ] billion and its net bonding capacity is approximately \$[ ] million (taking into account current outstanding debt before the issuance of the Refunding Bonds and not accounting for the refunding of the Refunded Bonds). Refunding bonds may be issued without regard to this limitation; however, once issued, the outstanding principal of any refunding bonds is included when calculating the District’s bonding capacity.

**Assessed Valuation by Jurisdiction.** The following table describes the percentage and value of the total assessed valuation of the property within the District’s boundaries that reside in the town of Danville, City of San Ramon, City of Walnut Creek and unincorporated portions of the County for fiscal year 2020-21.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT  
(Contra Costa County, California)  
2020-21 Assessed Valuation by Jurisdiction**

[To be Updated.]

Jurisdiction	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
Town of Danville	\$13,815,885,863	26.55%	\$13,815,885,863	100.00%
City of San Ramon	22,556,688,916	43.34	22,556,688,916	100.00
City of Walnut Creek	342,656,900	0.66	19,802,020,412	1.73
Unincorporated County of Contra Costa	15,327,831,801	29.45	42,072,903,392	36.43
Total District	\$52,043,063,480	100.00%		
County of Contra Costa	\$52,043,063,480	100.00%	\$215,850,574,655	24.11%

Source: California Municipal Statistics, Inc.

**Assessed Valuation by Land Use.** The following table sets forth a distribution of taxable property located in the District on the fiscal year 2020-21 tax roll by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT  
(Contra Costa County, California)  
2020-21 Assessed Valuation and Parcels by Land Use**

[To be Updated.]

	2020-21 Assessed Valuation <sup>(1)</sup>	% of Total	No. of Parcels	% of Total	No. of Taxable Parcels	% of Total
<b>Non-Residential:</b>						
Agricultural/Rural	\$ 428,816,015	0.83%	365	0.66%	305	0.58%
Commercial/Office	3,773,013,029	7.33	553	1.01	538	1.02
Vacant Commercial	53,919,097	0.10	24	0.04	22	0.04
Industrial	225,761,049	0.44	43	0.08	43	0.08
Vacant Industrial	1,250,017	0.00	3	0.01	3	0.01
Recreational	89,214,912	0.17	96	0.17	95	0.18
Government/Social/Institutional	1,413,005	0.00	538	0.98	282	0.53
Miscellaneous	240,416,055	0.47	1,963	3.57	208	0.39
Subtotal Non-Residential	\$4,813,803,179	9.35%	3,585	6.52%	1,496	2.84%
<b>Residential:</b>						
Single Family Residence	\$40,286,594,727	78.25%	40,716	74.00%	40,701	77.21%
Condominium/Townhouse	4,815,667,410	9.35	9,615	17.48	9,613	18.24
2-4 Residential Units	49,228,569	0.10	50	0.09	50	0.09
5+ Residential Units/Apartments	1,026,878,888	1.99	116	0.21	116	0.22
Vacant Residential	494,014,504	0.96	937	1.70	739	1.40
Subtotal Residential	\$46,672,384,198	90.65%	51,434	93.48%	51,219	97.16%
<b>TOTAL</b>	<b>\$51,486,187,377</b>	<b>100.00%</b>	<b>55,019</b>	<b>100.00%</b>	<b>52,715</b>	<b>100.00%</b>

<sup>(1)</sup> Local secured assessed valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.



**Assessed Valuation of Single-Family Homes.** The following table sets forth the assessed valuation of single-family homes in the District's boundaries for fiscal year 2020-21, including the average and median per parcel assessed value.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT  
(Contra Costa County, California)  
2020-21 Per Parcel Assessed Valuation of Single Family Homes**

[To be Updated.]

	Number of Parcels	2020-21 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	40,701	\$40,286,594,827	\$989,818	\$927,806

  

2020-21 Assessed Valuation	No. of Parcels <sup>(1)</sup>	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$99,999	471	1.157%	1.157%	\$ 37,208,699	0.092%	0.092%
\$100,000 - \$199,999	1,491	3.663	4.821	218,369,205	0.542	0.634
\$200,000 - \$299,999	1,223	3.005	7.825	306,982,826	0.762	1.396
\$300,000 - \$399,999	1,688	4.147	11.973	597,273,632	1.483	2.879
\$400,000 - \$499,999	2,290	5.626	17.599	1,035,927,719	2.571	5.450
\$500,000 - \$599,999	2,758	6.776	24.375	1,518,606,134	3.770	9.220
\$600,000 - \$699,999	2,802	6.884	31.260	1,816,758,330	4.510	13.729
\$700,000 - \$799,999	2,932	7.204	38.463	2,201,880,171	5.466	19.195
\$800,000 - \$899,999	3,563	8.754	47.218	3,032,231,367	7.527	26.722
\$900,000 - \$999,999	3,991	9.806	57.023	3,790,947,338	9.410	36.132
\$1,000,000 - \$1,099,999	3,573	8.779	65.802	3,746,260,690	9.299	45.431
\$1,100,000 - \$1,199,999	2,865	7.039	72.841	3,289,452,681	8.165	53.596
\$1,200,000 - \$1,299,999	2,286	5.617	78.458	2,852,654,976	7.081	60.677
\$1,300,000 - \$1,399,999	1,831	4.499	82.956	2,467,651,454	6.125	66.802
\$1,400,000 - \$1,499,999	1,465	3.599	86.556	2,118,888,546	5.260	72.061
\$1,500,000 - \$1,599,999	1,070	2.629	89.185	1,656,446,478	4.112	76.173
\$1,600,000 - \$1,699,999	830	2.039	91.224	1,367,050,006	3.393	79.566
\$1,700,000 - \$1,799,999	656	1.612	92.836	1,146,983,067	2.847	82.413
\$1,800,000 - \$1,899,999	543	1.334	94.170	1,003,361,949	2.491	84.904
\$1,900,000 - \$1,999,999	398	0.978	95.248	774,680,092	1.923	86.827
\$2,000,000 and greater	1,975	4.852	100.000	5,306,979,467	13.173	100.000
Total	40,701	100.000%		\$40,286,594,827	100.000%	

<sup>(1)</sup> Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.  
Source: California Municipal Statistics, Inc.

***Largest Taxpayers in District.*** The following table sets forth the 20 taxpayers with the greatest combined ownership of taxable property in the District on the fiscal year 2020-21 tax roll, and the assessed valuation of all property owned by those taxpayers in all taxing jurisdictions within the District, are set forth below.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT  
(Contra Costa County, California)  
Largest 2020-21 Local Secured Taxpayers**

[To be Updated.]

	Property Owner	Primary Land Use	2020-21 Assessed Valuation	Percent of Total <sup>(1)</sup>
1.	Shapell Industries Inc.	Residential Properties	\$461,488,784	0.90%
2.	Sunset Land Company LLC / Sunset Building Company LLC	Office Building	437,257,230	0.85
3.	Chevron USA Inc.	Office Building	374,834,771	0.73
4.	2600 CR LLC	Office Building	329,263,329	0.64
5.	Essex Portfolio LP / Essex San Ramon Partners LP	Apartments	283,669,297	0.55
6.	Faria Preserve LLC SDC	Residential Properties	200,424,231	0.39
7.	SDC 7	Office Building	178,268,055	0.35
8.	BRE Properties Inc.	Apartments	131,900,702	0.26
9.	ROIC California LLC	Shopping Center	125,472,852	0.24
10.	DS Properties 17 LP	Shopping Center	107,924,823	0.21
11.	Alexander Properties Co.	Office Building	107,526,882	0.21
12.	Clancy Investment Company LLC	Office Building	105,203,773	0.20
13.	San Ramon Regional Medical Center	Hospital	98,697,027	0.19
14.	Federal Realty Investment Trust	Shopping Center	96,509,466	0.19
15.	Aeonian Partners LP	Commercial	87,384,697	0.17
16.	Plaza San Ramon LLC	Office Building	73,624,620	0.14
17.	Ardenwood Development Association	Apartments	58,776,762	0.11
18.	Blackhawk Centercal LLC	Shopping Center	57,243,006	0.11
19.	Cedar Grove Apartments	Apartments	55,567,007	0.10
20.	GMS Five LLC	Shopping Center	46,212,950	0.09
			<u>\$3,417,250,264</u>	<u>6.64%</u>

<sup>(1)</sup> 2020-21 local secured assessed valuation: \$51,486,187,377  
Source: California Municipal Statistics, Inc.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness, if any, in such taxpayer's financial situation and ability or willingness to pay property taxes in a timely manner. Furthermore, assessments may be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control. See "*Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*" above.

## **Tax Rates**

The State Constitution permits the levy of an *ad valorem* tax on taxable property not to exceed 1% of the full cash value of the property, and State law requires the full 1% tax to be levied. The levy of special *ad valorem* property taxes in excess of the 1% levy is permitted as necessary to provide for debt service payments on school bonds and other voter-approved indebtedness.

The rate of tax necessary to pay fixed debt service on the Refunding Bonds in a given year depends on the assessed value of taxable property in that year. (The rate of tax imposed on unsecured property for repayment of the Refunding Bonds is based on the prior year's secured property tax rate.) Economic and

other factors beyond the District's control, such as a general market decline in property values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), pandemic, or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, drought, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Refunding Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

**Typical Tax Rate Area.** The following table sets forth *ad valorem* property tax rates for the last five fiscal years in a typical Tax Rate Area of the District (TRA 16-002) located in the Town of Danville. This Tax Rate Area comprises approximately 15.54% of the fiscal year 2019-20 total assessed value of the District.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT  
(Contra Costa County, California)  
Typical Total Tax Rates per \$100 of Assessed Valuation  
Fiscal Years 2015-16 through 2019-20**

	<u>TRA 16-002</u>				
	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
General Tax Rate	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
San Ramon Valley Unified School District	0.0026	0.0080	0.0084	0.0070	0.0750
Bay Area Rapid Transit	0.0067	0.0032	0.0021	0.0021	0.0120
East Bay Regional Park	0.0624	0.0652	0.0552	0.0750	0.0094
Contra Costa Community College District	0.0220	0.0120	0.0114	0.0110	0.0188
Total Tax Rate	<u>\$1.0937</u>	<u>\$1.0884</u>	<u>\$1.0771</u>	<u>\$1.0951</u>	<u>\$1.1152</u>

Source: California Municipal Statistics, Inc.

### **Tax Charges and Delinquencies**

A school district's share of the 1% countywide tax is based on the actual allocation of property tax revenues to each taxing jurisdiction in the county in fiscal year 1978-79, as adjusted according to a complicated statutory process enacted since that time. Revenues derived from special *ad valorem* taxes for voter-approved indebtedness, including the Refunding Bonds, are reserved to the taxing jurisdiction that approved and issued the debt, and may only be used to repay that debt.

The county treasurer-tax collector prepares the property tax bills. Property taxes on the regular secured assessment roll are due in two equal installments: the first installment is due on November 1, and becomes delinquent after December 10. The second installment is due on February 1 and becomes delinquent after April 10. If taxes are not paid by the delinquent date, a 10% penalty attaches and a \$10 cost is added to unpaid second installments. If taxes remain unpaid by June 30, the tax is deemed to be in default, and a \$15 state redemption fee applies. Interest then begins to accrue at the rate of 1.5% per month. The property owner has the right to redeem the property by paying the taxes, accrued penalties, and costs within five years of the date the property went into default. If the property is not redeemed within five years, it is subject to sale at a public auction by the county treasurer-tax collector. The date on which taxes on supplemental assessments are due depends on when the supplemental tax bill is mailed. As a result of the recent outbreak of COVID-19, property owners within the County affected by COVID-19 may submit a request to have late penalties cancelled if they were unable to pay their property taxes by the April 10, 2020

deadline as a result of hardships caused by COVID-19. For more information on the impact of the COVID-19 pandemic, see APPENDIX A – “DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – *Infectious Disease Outbreak*.” While the District cannot predict the extent of delinquencies and delayed tax collections or the resulting impact on the District’s financial condition or operations, the County has adopted the Teeter Plan (defined herein), according to which the County distributes to the District the amount levied on the secured and supplemental tax rolls, instead of the amount actually collected. See “– Teeter Plan” below.

Property taxes on the unsecured roll are due in one payment on the lien date, January 1, and become delinquent after August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue on November 1. To collect unpaid taxes, the county treasurer-tax collector may obtain a judgment lien upon and cause the sale of all property owned by the taxpayer in the county, and may seize and sell personal property, improvements and possessory interests of the taxpayer. The county treasurer-tax collector may also bring a civil suit against the taxpayer for payment.

The following table sets forth real property tax charges and corresponding delinquencies for the District’s general obligation bond debt service levy with respect to the property located in the District for fiscal years 2014-15 through 2018-19.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT**  
**(Contra Costa County, California)**  
**Secured Tax Charges and Delinquencies**  
**Fiscal Years 2014-15 through 2018-19**

Fiscal Year	Secured Tax Charge <sup>(1)</sup>	Amount Delinquent June 30	% Delinquent June 30
2014-15	\$25,063,687.00	\$129,492.00	0.52%
2015-16	25,776,448.88	124,874.13	0.48
2016-17	28,525,522.18	160,679.74	0.56
2017-18	25,539,499.92	111,173.87	0.44
2018-19	36,515,778.38	195,610.50	0.54

<sup>(1)</sup> General obligation bonds debt service levy.  
Source: California Municipal Statistics, Inc.

Property tax delinquencies may be impacted by economic and other factors beyond the District’s control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression can be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of a natural or manmade disaster, such as earthquake, drought, flood, fire, toxic dumping or pandemic. It is not possible for the District to make any representation regarding the extent to which an economic recession or depression could impact the ability or willingness of property owners within the District to pay property taxes in the future. For more information on the impact of the COVID-19 pandemic, see “APPENDIX A – STATE FUNDING OF SCHOOL DISTRICTS – Local Control Funding Formula – *Infectious Disease Outbreak*.”

### **Teeter Plan**

The County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in Section 4701 and following of the California Revenue and Taxation Code. Under the Teeter Plan, each participating local agency levying property taxes

in the County, including the District, receives the full amount of uncollected taxes on the secured roll credited to its fund (including delinquent taxes, if any), in the same manner as if the full amount due from taxpayers had been collected. In return, the County receives and retains delinquent payments, penalties and interest as collected, that would have been due the local agency. The County applies the Teeter Plan to taxes levied for repayment of school district bonds.

The Teeter Plan is to remain in effect unless the County Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the County. The Board of Supervisors may also, after holding a public hearing on the matter, discontinue the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll in that agency. The District is not aware of any plans by the Board of Supervisors of the County to discontinue the Teeter Plan.

### **Direct and Overlapping Debt**

Set forth on the following page is a schedule of direct and overlapping debt prepared by California Municipal Statistics Inc. effective [February 28], 2020 for debt outstanding as of [April 1], 2020. The table is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith. The first column in the table names each public agency which has outstanding debt as of the date of the schedule and whose territory overlaps the District in whole or in part. Column two sets forth the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not set forth in the table) produces the amount set forth in column three, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

The schedule generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

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**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT**  
**(Contra Costa County, California)**  
**Statement of Direct and Overlapping Bonded Debt**

[To be Updated.]

February 28, 2020

2020-21 Assessed Valuation: \$52,043,063,480

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 4/1/20</u>
Bay Area Rapid Transit District	6.468%	\$ 82,967,623
Chabot-Las Positas Community College District	0.495	3,103,254
Contra Costa Community College District	23.886	122,763,291
San Ramon Valley Unified School District	100.000	426,630,000 <sup>(1)</sup>
East Bay Regional Park District	10.312	16,158,904
Contra Costa County Community Facilities District No. 2001-1	100.000	3,850,000
Association of Bay Area Governments Community Facilities District No. 2004-2	100.000	30,571,602
Special District 1915 Act Bonds	100.000	64,329,458
<b>TOTAL DISTRICT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$750,374,132</b>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Contra Costa County General Fund Obligations	24.111%	\$63,144,432
Contra Costa County Pension Obligations	24.111	37,595,138
San Ramon Valley Unified School District General Fund Obligations	100.000	26,802,287
Contra Costa Community College District Certificates of Participation	100.000	78,837
Town of Danville Certificates of Participation	100.000	6,895,000
City of San Ramon Certificates of Participation and Pension Obligation Bonds	100.000	21,410,000
City of Walnut Creek General Fund Obligations	1.730	47,734
San Ramon Valley Fire Protection District Certificates of Participation	99.862	16,574,015
Contra Costa Fire Protection District Pension Obligation Bonds	0.352	186,478
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$179,641,925</b>
Less: Contra Costa County obligations supported by revenue funds		25,253,137
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$154,388,788</b>
 <u>OVERLAPPING TAX INCREMENT DEBT:</u>		
Successor Agency to Danville Redevelopment Agency Downtown Project Area	100.000%	\$ 2,285,000
Successor Agency to San Ramon Redevelopment Agency	100.000	55,860,898
<b>TOTAL OVERLAPPING TAX INCREMENT DEBT</b>		<b>\$58,145,898</b>
 <b>GROSS COMBINED TOTAL DEBT</b>		<b>\$988,161,955<sup>(2)</sup></b>
<b>NET COMBINED TOTAL DEBT</b>		<b>\$962,908,818</b>

Ratios to 2020-21 Assessed Valuation:

Direct Debt (\$426,630,000) .....	0.82%
Total Direct and Overlapping Tax and Assessment Debt.....	1.44%
Combined Direct Debt (\$451,119,938) .....	0.87%
Gross Combined Total Debt.....	1.90%
Net Combined Total Debt .....	1.85%
<u>Ratios to Redevelopment Incremental Valuation (\$1,740,006,017):</u>	
Total Overlapping Tax Increment Debt.....	3.34%

<sup>(1)</sup> Excludes the Refunding Bonds; includes the Refunded Bonds.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

## TAX MATTERS

[In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the District (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Refunding Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Refunding Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Refunding Bonds. The proposed form of opinion of Bond Counsel is contained in Appendix D hereto.

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Refunding Bonds that acquire their Refunding Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the “IRS”) with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Refunding Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose “functional currency” is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Refunding Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Refunding Bonds pursuant to this offering for the issue price that is applicable to such Refunding Bonds (i.e., the price at which a substantial amount of the Refunding Bonds are sold to the public) and who will hold their Refunding Bonds as “capital assets” within the meaning of Section 1221 of the Code.

As used herein, “U.S. Holder” means a beneficial owner of a Refunding Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Refunding Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Refunding Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Refunding Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Refunding Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Notwithstanding the rules described below, it should be noted that certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Refunding

Bonds at the time that such income, gain or loss is recognized on such financial statements instead of under the rules described below (in the case of original issue discount, such requirements are only effective for tax years beginning after December 31, 2018).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Refunding Bonds in light of their particular circumstances.

### ***U.S. Holders***

*Interest.* Interest on the Refunding Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

Refunding Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Refunding Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Refunding Bond.

*Sale or Other Taxable Disposition of the Refunding Bonds.* Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the District) or other disposition of a Refunding Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Refunding Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Refunding Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Refunding Bond (generally, the purchase price paid by the U.S. Holder for the Refunding Bond, decreased by any amortized premium). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Refunding Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Refunding Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

*Defeasance of the Refunding Bonds.* If the District defeases any Refunding Bond, the Refunding Bond may be deemed to be retired for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted tax basis in the Refunding Bond.

*Information Reporting and Backup Withholding.* Payments on the Refunding Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Refunding Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Refunding Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Refunding Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup



withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

### ***Non-U.S. Holders***

*Interest.* Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act," payments of principal of, and interest on, any Refunding Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation, a such term is defined in the Code, which is related to the District through stock ownership and (2) a bank which acquires such Refunding Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the Refunding Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading "Information Reporting and Backup Withholding," or an exemption is otherwise established.

*Disposition of the Refunding Bonds.* Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "FATCA," any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the District or a deemed retirement due to defeasance of the Refunding Bond) or other disposition of a Refunding Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the District) or other disposition and certain other conditions are met.

*U.S. Federal Estate Tax.* A Refunding Bond that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual's death, provided that, at the time of such individual's death, payments of interest with respect to such Refunding Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

*Information Reporting and Backup Withholding.* Subject to the discussion below under the heading "FATCA," under current U.S. Treasury Regulations, payments of principal and interest on any Refunding Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Refunding Bond or a financial institution holding the Refunding Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

### ***Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders***

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold

30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Refunding Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain “passthru” payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term “foreign passthru payments.” Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Refunding Bonds in light of the holder’s particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Refunding Bonds, including the application and effect of state, local, non-U.S., and other tax laws.]

### **CERTAIN ERISA CONSIDERATIONS**

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain restrictions on employee pension and welfare benefit plans subject to ERISA (“ERISA Plans”) regarding prohibited transactions, and also imposes certain obligations on those persons who are fiduciaries with respect to ERISA Plans. Section 4975 of the Code imposes similar prohibited transaction restrictions on certain plans, including (i) tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under section 501(a) of the Code and which are not governmental or church plans as defined herein (“Qualified Retirement Plans”), and (ii) individual retirement accounts (“IRAs”) described in Section 408(b) of the Code (the foregoing in clauses (i) and (ii), “Tax-Favored Plans”). Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA), non-U.S. plans (as described in Section 4(b)(4) of ERISA) and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA requirements or Section 4975 of the Code, but may be subject to requirements or prohibitions under applicable federal, state, local, non-U.S. or other laws or regulations that are, to a material extent, similar to the requirements of ERISA and Section 4975 of the Code (“Similar Law”).

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan’s investment be made in accordance with the documents governing the plan, ERISA Plans are subject to prohibited transaction restrictions imposed by Section 406 of ERISA. ERISA Plans and Tax-Favored Plans are also subject to prohibited transaction restrictions imposed by Section 4975 of the Code. These rules generally prohibit a broad range of transactions between (i) ERISA Plans, Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, “Benefit Plans”) and (ii) persons who have certain specified relationships to the Benefit Plans (such persons are referred to as “Parties in Interest” or “Disqualified Persons”), in each case unless a statutory, regulatory or administrative exemption is available. The definitions of “Party in Interest” and “Disqualified Person” are expansive. While other entities may be encompassed by those definitions, they include most notably: (1) a fiduciary with respect to a Benefit Plan; (2) a person providing services to a Benefit Plan; (3) an employer or employee organization any of whose employees or members are covered by a Benefit Plan; and (4) an owner of an IRA. Certain Parties in Interest (or Disqualified Persons) that participate in a non-exempt prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of

ERISA (or Section 4975 of the Code) unless a statutory, regulatory or administrative exemption is available. Without an exemption, an owner of an IRA may disqualify his or her IRA.

Certain transactions involving the purchase, holding or transfer of the Refunding Bonds might be deemed to constitute prohibited transactions under ERISA and the Code if assets of the District were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor at 29 C.F.R. section 2510.3-101, as modified by Section 3(42) of ERISA (the “Plan Assets Regulation”), the assets of the District would be treated as plan assets of a Benefit Plan for the purposes of ERISA and the Code if the Benefit Plan acquires an “equity interest” in the District and none of the exceptions contained in the Plan Assets Regulation are applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. Although there can be no assurances in this regard, it appears that the Refunding Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation and accordingly the assets of the District should not be treated as the assets of Benefit Plans investing in the Refunding Bonds. The debt treatment of the Refunding Bonds for ERISA purposes could change subsequent to issuance of the Refunding Bonds. In the event of a withdrawal or downgrade to below investment grade of the rating of the Refunding Bonds or a characterization of the Refunding Bonds as other than indebtedness under applicable local law, the subsequent purchase of the Refunding Bonds or any interest therein by a Benefit Plan is prohibited.

However, without regard to whether the Refunding Bonds are treated as an equity interest for such purposes, the acquisition or holding of Refunding Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the District or the Paying Agent, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan. The fiduciary of a Benefit Plan that proposes to purchase and hold any Refunding Bonds should consider, among other things, whether such purchase and holding may involve (i) the direct or indirect extension of credit to a Party in Interest or a Disqualified Person, (ii) the sale or exchange of any property between a Benefit Plan and a Party in Interest or a Disqualified Person, or (iii) the transfer to, or use by or for the benefit of, a Party in Interest or a Disqualified Person, of any Benefit Plan assets.

Certain status-based exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Refunding Bond. These are commonly referred to as prohibited transaction class exemptions or “PTCEs”. Included among these exemptions are:

PTCE 75-1, which exempts certain transactions between a Benefit Plan and certain brokers-dealers, reporting dealers and banks;

PTCE 96-23, which exempts transactions effected at the sole discretion of an “in-house asset manager”;

PTCE 90-1, which exempts certain investments by an insurance company pooled separate account;

PTCE 95-60, which exempts certain investments effected on behalf of an “insurance company general account”;

PTCE 91-38, which exempts certain investments by bank collective investment funds; and

PTCE 84-14, which exempts certain transactions effected at the sole discretion of a “qualified professional asset manager.”

In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code generally provide for a statutory exemption from the prohibitions of Section 406(a) of ERISA and Section 4975 of the Code, commonly referred to as the “Service Provider Exemption”. The Service Provider Exemption covers transactions involving “adequate consideration” between Benefit Plans and persons who are Parties in Interest or Disqualified Persons solely by reason of providing services to such Benefit Plans or who are persons affiliated with such service providers, provided generally that such persons are not fiduciaries with respect to “plan assets” of any Benefit Plan involved in the transaction and that certain other conditions are satisfied.

The availability of each of these PTCs and/or the Service Provider Exemption is subject to a number of important conditions which the Benefit Plan’s fiduciary must consider in determining whether such exemptions apply. There can be no assurance that all the conditions of any such exemptions will be satisfied at the time that the Refunding Bonds are acquired by a purchaser, or thereafter, if the facts relied upon for utilizing a prohibited transaction exemption change, or that the scope of relief provided by these exemptions will necessarily cover all acts that might be construed as prohibited transactions. Therefore, a Benefit Plan fiduciary considering an investment in the Refunding Bond should consult with its counsel prior to making such purchase.

By its acceptance of a Refunding Bond (or an interest therein), each purchaser and transferee (and if the purchaser or transferee is a Benefit Plan, its fiduciary) will be deemed to have represented and warranted that either (i) no “plan assets” of any Benefit Plan or a plan subject to Similar Law have been used to purchase such Refunding Bond or (ii) the purchase and holding of such Refunding Bonds is exempt from the prohibited transaction restrictions of ERISA and Section 4975 of the Code pursuant to a statutory, regulatory or administrative exemption and will not violate Similar Law. A purchaser or transferee who acquires Refunding Bonds with assets of a Benefit Plan represents that such purchaser or transferee has considered the fiduciary requirements of ERISA, the Code or Similar Laws and has consulted with counsel with regard to the purchase or transfer.

None of the District, the Paying Agent, or the Underwriter is undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the acquisition or transfer of the Refunding Bonds by any Benefit Plan.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that any Benefit Plan fiduciary or other person considering whether to purchase Refunding Bonds on behalf of a Benefit Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code to such investment and the availability of any exemption. In addition, persons responsible for considering the purchase of Refunding Bonds by a governmental plan, non-electing church plan or non-U.S. plan should consult with their counsel regarding the applicability of any Similar Law to such an investment.

## **OTHER LEGAL MATTERS**

### **Legal Opinion**

The validity of the Refunding Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District. Bond Counsel expects to deliver an opinion with respect to the Refunding Bonds at the time of issuance substantially in the form set forth in Appendix D hereto. Bond Counsel, as such, undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the District

by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the District, and for the Underwriters by Kutak Rock LLP, Denver, Colorado.

### **Legality for Investment in California**

Under the provisions of the California Financial Code, the Refunding Bonds are legal investments for commercial banks in California to the extent that the Refunding Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the California Government Code, the Refunding Bonds are eligible securities for deposit of public moneys in the State.

### **Continuing Disclosure**

The District has covenanted for the benefit of the holders and Beneficial Owners of the Refunding Bonds to provide, or to cause to be provided, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system or such other electronic system designated by the Municipal Securities Rulemaking Board (the “EMMA System”) certain annual financial information and operating data relating to the District (the “Annual Report”) by not later than nine months following the end of the District’s fiscal year (currently ending June 30), commencing with the report for the 2019-20 fiscal year (which is due no later than April 1, 2021) and notice of the occurrence of certain enumerated events (“Notice Events”) in a timely manner not in excess of ten business days after the occurrence of such a Notice Event. The specific nature of the information to be contained in the Annual Report and the notices of Notice Events is set forth in APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12(b)(5) (the “Rule”) of the Securities and Exchange Commission (the “SEC”).

*[To be updated per Underwriters’ CD Report.]* [In the past five years, the District failed to link certain financial information for fiscal year 2014-15 to the CUSIP numbers relating to its San Ramon Valley Unified School District Joint Powers Financing Authority Federally Taxable Lease Revenue Bonds, Series 2010 and failed to file certain other financial information relating to such bonds for such fiscal year.]

Fieldman, Rolapp & Associates, Inc. doing business as Applied Best Practices has been engaged by the District as its dissemination agent for its undertakings relating to the Refunding Bonds.

### **Litigation**

No litigation is pending or threatened concerning or contesting the validity of the Refunding Bonds or the District’s ability to receive *ad valorem* taxes and to collect other revenues, or contesting the District’s ability to issue and retire the Refunding Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the title to their offices of District officers who will execute the Refunding Bonds or District officials who will sign certifications relating to the Refunding Bonds, or the powers of those offices. A certificate (or certificates) to that effect will be furnished to the Underwriters at the time of the original delivery of the Refunding Bonds.

[The District is occasionally subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.]

### **ESCROW VERIFICATION**

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriters (defined herein) relating to the computation of projected receipts of principal and interest on

the Defeasance Securities, and the projected payments of principal, redemption premium, if any, and interest to retire the Refunded Bonds will be verified by Causey Demgen & Moore P.C., Denver, Colorado (the “Verification Agent”). Such computations will be based solely on assumptions and information supplied by the District and the Underwriters (defined herein). The Verification Agent will restrict its procedures to verifying the arithmetical accuracy of certain computations and will not make any study to evaluate the assumptions and information on which the computations are based, and will express no opinion on the data used, the reasonableness of the assumptions or the achievability of the projected outcome.

## **MISCELLANEOUS**

### **Ratings**

Moody’s Investors Services (“Moody’s”) and S&P Global Ratings (“S&P”) have assigned their respective ratings of “[ ]” and “[ ],” respectively, to the Refunding Bonds. Rating agencies generally base their ratings on their own investigations, studies and assumptions as well as information and materials furnished to them (which may include information and materials from the District, which are not included in this Official Statement). The ratings reflect only the view of the rating agency furnishing the same, and any explanation of the significance of such ratings should be obtained only from the rating agency providing the same. Such ratings are not a recommendation to buy, sell or hold the Refunding Bonds. There is no assurance that any ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency providing the same, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Refunding Bonds. Neither the Underwriters (defined below) nor the District has undertaken any responsibility after the offering of the Refunding Bonds to assure the maintenance of the ratings or to oppose any such revision or withdrawal.

### **Professionals Involved in the Offering**

Orrick, Herrington & Sutcliffe LLP is acting as Bond Counsel and Disclosure Counsel with respect to the Refunding Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Refunding Bonds. Fieldman, Rolapp & Associates, Inc. is acting as the District’s municipal advisor with respect to the Refunding Bonds. Kutak Rock LLP, Denver, Colorado, is acting as Underwriters’ Counsel with respect to the Refunding Bonds. Payment of the fees and expenses of the District’s municipal advisor and Underwriters’ Counsel is also contingent upon the sale and delivery of the Refunding Bonds.

### **Underwriting**

The Refunding Bonds are being purchased for reoffering to the public by Stifel, Nicolaus & Company, Incorporated, for its own behalf and as representative of Barclays Capital Inc. (together, the “Underwriters”), pursuant to the terms of a bond purchase agreement executed on \_\_\_\_\_, 2020 (the “Purchase Agreement”), by and between the Underwriters and the District. The Underwriters have agreed to purchase the Refunding Bonds at a price of \$\_\_\_\_\_ (which represents the aggregate principal amount of the Refunding Bonds, and less an Underwriters’ discount in the amount of \$\_\_\_\_\_). The Purchase Agreement provides that the Underwriters will purchase all of the Refunding Bonds, subject to certain terms and conditions set forth in the Purchase Agreement, including the approval of certain legal matters by counsel.

The Underwriters may offer and sell the Refunding Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices set forth on the inside front

cover page of this Official Statement. The public offering prices may be changed from time to time by the Underwriters.

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### **ADDITIONAL INFORMATION**

The purpose of this Official Statement is to supply information to purchasers of the Refunding Bonds. Quotations from and summaries and explanations of the Refunding Bonds and of the statutes and documents contained herein do not purport to be complete, and reference is made to such documents and statutes for full and complete statements of their provisions.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Refunding Bonds.

The District has duly authorized the delivery of this Official Statement.

**SAN RAMON VALLEY UNIFIED SCHOOL  
DISTRICT**

By: \_\_\_\_\_  
Superintendent



## **APPENDIX A**

### **INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET**

*The information in this appendix concerning the operations of the San Ramon Valley Unified School District (the "District"), the District's finances, and State of California (the "State") funding of education, is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Refunding Bonds are payable from the general fund of the District or from State revenues. The Refunding Bonds are payable from the proceeds of an ad valorem tax approved by the voters of the District pursuant to all applicable laws and State Constitutional requirements, and required to be levied by Contra Costa County on property within the District in an amount sufficient for the timely payment of principal of and interest on the Refunding Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS" in the front portion of this Official Statement.*

### **THE DISTRICT**

#### **Introduction**

The District, located in central Contra Costa County, California (the "County"), encompasses an area of approximately 104 square miles, and serves students from the incorporated City of San Ramon, the Town of Danville, and the unincorporated communities of Alamo, Diablo and Blackhawk, as well as a small portion of the City of Walnut Creek. The District is located about 30 miles east of San Francisco in the San Ramon Valley, a largely residential area at the western and southern fringes of Mt. Diablo, which, with an elevation of 3,849 feet, is one of the highest peaks in the San Francisco Bay area.

The District operates 22 elementary schools, eight middle schools, four high schools, an independent study program, a preschool and a continuation high school program. Enrollment was approximately [31,911] students for fiscal year 2019-20 and is budgeted to be approximately [31,694] students in fiscal year 2020-21. The District operates under the jurisdiction of the Contra Costa County Superintendent of Schools.

#### **Board of Education**

The governing board of the District is the Board of Education (the "Board"). The Board consists of five voting members and one nonvoting student member. The voting members are elected to four-year terms. Elections for positions to the Board are held every two years, alternating between two and three available positions. Each December, the Board elects a President, Vice President and Clerk to serve one-year terms. Current members of the Board, together with their office and the date their current term expires, are set forth on the following page.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT**  
**(Contra Costa County, California)**

**Board of Education**

Name	Office	Term Expires
Greg Marvel	President	November 2020
Mark Jewett	Vice President	November 2020
Susanna Ordway	Clerk	November 2022
Ken Mintz	Member	November 2022
Rachel Hurd	Member	November 2022

**Superintendent and Business Services Personnel**

The Superintendent of the District and the Chief Business Officer are appointed by the Board. The Superintendent reports directly to the Board. The Chief Business Officer reports directly to the Superintendent. The Superintendent is responsible for management of the District's day-to-day operations and supervises the work of other key District administrators. Dr. John Malloy was appointed by the Board to serve as Superintendent in June 2020. The Chief Business Officer is responsible for management of the District's finances and business operations. Gregory Medici has served as Chief Business Officer since August 2017.

***Dr. John Malloy, Superintendent. [District to provide biography]***

***Gregory Medici, Chief Business Officer.*** Mr. Medici joined the District as Chief Business Officer in August 2017. Mr. Medici's prior public school administrative experience includes similar business responsibilities as Los Gatos-Saratoga Union High School District's Assistant Superintendent of Business Services, St. Helena Unified School District's Chief Business Official and Napa Valley Unified School District's Business Manager. Mr. Medici led general obligation bond offerings during his tenure in all three previous school districts. Prior to joining schools in 2010, Mr. Medici practiced law full time, including as a corporate finance associate with Jones Day. Mr. Medici received his law degree from Loyola Law School and a bachelor's degree in business economics from UCLA.

**DISTRICT FINANCIAL MATTERS**

**State Funding of Education; State Budget Process**

***General.*** As is true for all school districts in California, the District's operating income consists primarily of two components: a State portion funded from the State's general fund in accordance with the Local Control Funding Formula (the "Local Control Funding Formula" or "LCFF") (see "*Allocation of State Funding to School Districts; Local Control Funding Formula*") and a local portion derived from the District's share of the 1% local *ad valorem* tax authorized by the State Constitution (see "*Local Sources of Education Funding*"). In addition, school districts may be eligible for other special categorical funding from State and federal government programs. The District received approximately [ ]% of its general fund revenues from State funds (not including the local portion derived from the District's share of the local *ad valorem* tax), at approximately \$[ ] million in fiscal year 2019-20 (unaudited). The District has budgeted to receive approximately 32.97% of its general fund revenues from State funds (not including the local portion derived from the District's share of the local *ad valorem* tax), budgeted at approximately \$111.30 million in fiscal year 2020-21. Such amount includes both the State funding provided under the LCFF as well as other State revenues (see "*Allocation of State Funding to School Districts; Local Control*").

*Funding Formula,” “Attendance and LCFF” and “Other District Revenues – Other State Revenues”* below). As a result, decreases or deferrals in State revenues, or in State legislative appropriations made to fund education, may significantly affect the District’s revenues and operations.

Under Proposition 98, a constitutional and statutory amendment adopted by the State’s voters in 1988 and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the Constitution), a minimum level of funding is guaranteed to school districts, community college districts, and other State agencies that provide direct elementary and secondary instructional programs. Recent years have seen frequent disruptions in State personal income taxes, sales and use taxes, and corporate taxes, making it increasingly difficult for the State to meet its Proposition 98 funding mandate, which normally commands about 45% of all State general fund revenues, while providing for other fixed State costs and priority programs and services. Because education funding constitutes such a large part of the State’s general fund expenditures, it is generally at the center of annual budget negotiations and adjustments.

In connection with the State Budget Act for fiscal year 2013-14, the State and local education agencies therein implemented the LCFF. Funding from the LCFF replaced the revenue limit funding system and most categorical programs. See “– *Allocation of State Funding to School Districts; Local Control Funding Formula*” for more information.

**State Budget Process.** According to the State Constitution, the Governor must propose a budget to the State Legislature no later than January 10 of each year, and a final budget must be adopted no later than June 15. The budget requires a simple majority vote of each house of the State Legislature for passage. The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. A two-thirds vote of the State Legislature is required to override any veto by the Governor. School district budgets must generally be adopted by July 1, and revised by the school board within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget. The Governor signed the fiscal year 2020-21 State budget on June 29, 2020.

When the State budget is not adopted on time, basic appropriations and the categorical funding portion of each school district’s State funding are affected differently. Under the rule of *White v. Davis* (also referred to as *Jarvis v. Connell*), a State Court of Appeal decision reached in 2002, there is no constitutional mandate for appropriations to school districts without an adopted budget or emergency appropriation, and funds for State programs cannot be disbursed by the State Controller until that time, unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the State Constitution (such as appropriations for salaries of elected State officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that basic State funding for schools is continuously appropriated by statute, but that special and categorical funds may not be appropriated without an adopted budget. Should the State Legislature fail to pass a budget or emergency appropriation before the start of any fiscal year, the District might experience delays in receiving certain expected revenues. The District is authorized to borrow temporary funds to cover its annual cash flow deficits, and as a result of the *White v. Davis* decision, the District might find it necessary to increase the size or frequency of its cash flow borrowings, or to borrow earlier in the fiscal year. The District does not expect the *White v. Davis* decision to have any long-term effect on its operating budgets.

**Aggregate State Education Funding.** The Proposition 98 guaranteed amount for education is based on prior-year funding, as adjusted through various formulas and tests that take into account State proceeds of taxes, local property tax proceeds, school enrollment, per-capita personal income, and other factors. The State’s share of the guaranteed amount is based on State general fund tax proceeds and is not based on the general fund in total or on the State budget. The local share of the guaranteed amount is funded from local property taxes. The total guaranteed amount varies from year to year and throughout the stages of any given

fiscal year's budget, from the Governor's initial budget proposal to actual expenditures to post-year-end revisions, as better information regarding the various factors becomes available. Over the long run, the guaranteed amount will increase as enrollment and per capita personal income grow.

If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as "settle-up." If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as "maintenance factor."

Although the California Constitution requires the State to approve a balanced State Budget Act each fiscal year, the State's response to fiscal difficulties in some years has had a significant impact upon the Proposition 98 minimum guarantee and the treatment of settle-up payments with respect to years in which the Proposition 98 minimum guarantee was suspended. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. In response, teachers' unions, the State Superintendent and others sued the State or Governor in 1995, 2005, 2009 and 2011 to force them to fund schools in the full amount required. The settlement of the 1995 and 2005 lawsuits has so far resulted in over \$4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the obligations through additional education funding over time, including the Quality Education Investment Act of 2006, have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by deferring apportionments of Proposition 98 funds from one fiscal year to the next, as the State is doing in fiscal years 2019-20 and 2020-21 (see – "*2020-21 State Budget*" below for further information); by suspending Proposition 98, as the State did in fiscal year 2004-05, fiscal year 2010-11, fiscal year 2011-12 and fiscal year 2012-13; and by proposing to amend the State Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

The District cannot predict how State income or State education funding will vary over the term to maturity of the Refunding Bonds, and the District takes no responsibility for informing owners of the Refunding Bonds as to actions the State Legislature or Governor may take affecting the current year's budget after its adoption. Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, [www.dof.ca.gov](http://www.dof.ca.gov), under the heading "California Budget." An impartial analysis of the budget is posted by the Office of the Legislative Analyst at [www.lao.ca.gov](http://www.lao.ca.gov). In addition, various State of California official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found at the website of the State Treasurer, [www.treasurer.ca.gov](http://www.treasurer.ca.gov). The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

**2020-21 State Budget.** The Governor signed the fiscal year 2020-21 State Budget (the “2020-21 State Budget”) on June 29, 2020. According to the State, the economic impact of the COVID-19 pandemic has resulted in a \$54.3 billion budget deficit, which the State is addressing through the following measures:

- **Reserves.** The 2020-21 State Budget draws down \$8.8 billion in reserves, including \$7.8 billion from the Rainy Day Fund, \$450 million from the Safety Net Reserve, and all of the funds in the Public School System Stabilization Account.
- **Trigger.** The 2020-21 State Budget includes \$11.1 billion in reductions and deferrals that will be restored if federal legislation providing for at least \$14 billion in federal funds is passed by the United States Congress and signed by the President, and such funds are received by October 15, 2020. If the State receives a lesser amount between \$2 billion and \$14 billion, the reductions and deferrals will be partially restored. The trigger includes \$6.6 billion in deferred spending on schools, approximately \$970 million in funding for the University of California and the California State University, \$2.8 billion for state employee compensation, \$150 million for courts, and funding for child support administration, teacher training, moderate-income housing, and infrastructure to support infill housing. The trigger would also fund an additional \$250 million for county programs to backfill revenue losses. If the federal government does not provide funds in fiscal year 2020-21, the deferrals provided in the 2020-21 State Budget may create a larger budget shortfall in subsequent fiscal years. A larger budget shortfall in subsequent years may result in continuing deferrals until the State is able to fully fund its current year education obligations in a single budget year.
- **Federal Funds.** The 2020-21 State Budget relies on \$10.1 billion in federal funds that provide general fund relief, including \$8.1 billion already received. This includes the enhanced Federal Medical Assistance Percentage, a portion of the State’s allocation from the federal Coronavirus Relief Fund and funds provided for childcare programs.
- **Revenues.** The 2020-21 State Budget temporarily suspends the use of net operating losses for medium and large businesses and temporarily limits to \$5 million the amount of business incentive credits a taxpayer can use in any given tax year. These short-term limitations will generate \$4.4 billion in new revenues in fiscal year 2020-21.
- **Borrowing/Transfers/Deferrals.** The 2020-21 State Budget relies on \$9.3 billion in special fund borrowing and transfers, as well as other deferrals for K-14 school districts.
- **Cancelled Expansions, Updated Assumptions and Other Solutions.** The 2020-21 State Budget includes \$10.6 billion of other solutions for addressing the budget deficit, such as cancelling multiple program expansions and anticipating increased government efficiencies, higher ongoing revenues, and lower health and human services caseload costs that previously estimated.

Because of such measures described above, the 2020-21 State Budget is a balanced budget for fiscal year 2020-21 that projects approximately \$137.7 billion in revenues, \$88.8 billion in non-Proposition 98 expenditures and \$45.1 billion in Proposition 98 expenditures. The 2020-21 State Budget sets aside \$2.6 billion in the Special Fund for Economic Uncertainties, and it includes total funding of \$98.8 billion (\$48.1 billion general fund and \$50.7 billion other funds) for all K-12 education programs. The 2020-21 State Budget estimates the Proposition 98 minimum guarantee at \$78.5 billion in fiscal year 2018-19, \$77.7 billion in fiscal year 2019-20, and \$70.9 billion in fiscal year 2020-21. The reduction in Proposition 98 funding will result in per pupil spending of \$10,654 in fiscal year 2020-21, a \$1,339 reduction from fiscal year 2019-20.

The 2020-21 State Budget offsets such reduction in Proposition 98 funding in several ways, including the following:

- Local Control Funding Formula Deferrals. As a result of the COVID-19 pandemic, \$1.9 billion in LCFF apportionments in fiscal year 2019-20 were deferred until fiscal year 2020-21, and the 2020-21 State Budget provides that apportionment deferrals in fiscal year 2020-21 will grow to \$11 billion. Such deferrals allow LCFF funding to remain at fiscal year 2019-20 levels in both fiscal years. The 2020-21 State Budget suspends the statutory LCFF cost-of-living adjustment in fiscal year 2020-21. The 2020-21 State Budget provides that \$5.8 billion of deferrals will be triggered off in fiscal year 2020-21 if sufficient federal funding is provided that can be used for such purpose.
- Learning Loss Mitigation. Additionally, the 2020-21 State Budget includes a one-time investment of \$5.3 billion (comprised of \$4.4 billion from the federal Coronavirus Relief Fund, \$589.9 million in Proposition 98 general fund resources, and \$355.2 from the federal Governor's Emergency Education Relief Fund) to local education agencies to address learning loss resulting from school closures. To ensure that those local educational agencies serving students most affected by the COVID-19 pandemic receive additional funding, the 2020-21 State Budget will allocate \$2.9 billion of such funds based on the LCFF supplemental and concentration grant allocation, \$1.5 billion of such funds based on the number of students with exceptional needs, and \$979.8 million of such funds based on the total LCFF allocation.
- Supplemental Appropriations. In fiscal years 2019-20 and 2020-21, the Proposition 98 funding level drops below the target funding level by a total of approximately \$12.4 billion. To accelerate the recovery from such funding reduction, the 2020-21 State Budget provides supplemental appropriations above the required Proposition 98 funding level, beginning in fiscal year 2021-22, and in each of the next several fiscal years, in an amount equal to 1.5% of general fund revenues, up to a total of \$12.4 billion.
- Revised CalPERS and CalSTRS Contributions. To provide immediate and long-term relief to school districts facing rising pension costs, the 2020-21 State Budget redirects \$2.3 billion appropriated in the 2019-20 State Budget to California State Teachers' Retirement System ("CalSTRS") and the California Public Employees' Retirement System ("CalPERS") for long-term unfunded liabilities to instead reduce employer contribution rates in fiscal years 2020-21 and 2021-22. Such reallocation will reduce the CalSTRS employer contribution rate from 18.41% to approximately 16.15% in fiscal year 2020-21 and from 17.9% to 16.02% in fiscal year 2021-22. The CalPERS Schools Pool employer contribution rate will be reduced from 22.67% to 20.7% in fiscal year 2020-21 and from 24.6% to 22.84% in fiscal year 2021-22.
- Federal Funds. In addition to the federal Coronavirus Relief Fund and Governor's Emergency Education Relief Fund allocations described above, the 2020-21 State Budget includes \$1.6 billion in federal Secondary School Emergency Relief funds. Of this amount, \$1.5 billion will be allocated to local educational agencies in proportion to the amount of Title I-A funding they receive and may be used for costs relating to the COVID-19 pandemic. Of the remaining \$164.7 million, \$112.2 million will be used to provide up to \$0.75 per meal for local educational agencies participating in certain school meal programs and serving meals between March 2020 and August 2020 due to school closures, \$45 million will be used for grants to local educational agencies to increase access to health, mental health, and social service supports for high-need students, \$6 million will be used to provide educator professional development for providing high quality distance learning, and \$1.5 million will be used for State Department of Education costs associated with the COVID-19 pandemic.

- Temporary Revenue Increases. As described above, the 2020-21 State Budget includes a temporary three-year suspension of net operating losses, and a limitation on business incentive tax credits to offset no more than \$5 million of tax liability per year. These temporary changes, along with other tax changes, will generate additional general fund revenues, approximately \$1.6 billion of which will benefit the Proposition 98 guarantee.
- Special Education. The 2020-21 State Budget provides for increased special education base rates of \$625 per pupil pursuant to a new funding formula. The 2020-21 State Budget also includes \$100 million to increase funding for students with low-incidence disabilities, \$15 million in federal Individuals with Disabilities Education Act (“IDEA”) funds for the Golden State Teacher Scholarship Program to increase the special education teacher pipeline, \$8.6 million in IDEA funds to assist local educational agencies to develop regional alternative dispute resolution services and statewide mediation services, and \$1.1 million in IDEA funds to study the current special education governance and accountability structure.
- Average Daily Attendance and Distance Learning. The 2020-21 State Budget assumes that local educational agencies will provide in-classroom instruction during the 2020-21 school year, but recognizes that public health officials may require school closures. To ensure funding stability regardless of instructional model, the 2020-21 State Budget includes a hold-harmless provision for the purpose of calculating apportionments in fiscal year 2020-21, and it provides that average daily attendance will be based on the 2019-20 school year. The 2020-21 State Budget also includes requirements for distance learning services in the event of school closures.
- Employee Protections. The 2020-21 State Budget suspends layoffs of non-management certificated staff during fiscal year 2020-21 and classified staff who hold positions in nutrition, transportation, or custodial services during fiscal year 2020-21. The 2020-21 State Budget includes \$60 million Proposition 98 general fund resources to provide a match of State funds for participating classified employees to be paid during the summer recess period. The 2020-21 State Budget also states that it is the intent of the State Legislature that school districts, community college districts, joint powers authorities, and county offices of education retain all classified employees in fiscal year 2020-21.

The complete 2020-21 State Budget is available from the California Department of Finance website at [www.dof.ca.gov](http://www.dof.ca.gov). The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

***Future Budgets and Budgetary Actions.*** The District cannot predict what future actions will be taken by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors beyond the District’s ability to predict or control, including but not limited to the COVID-19 pandemic. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State’s ability to fund schools during fiscal years 2020-21 and 2021-22 and in future fiscal years. Certain factors, like an economic recession, could result in State budget shortfalls in any fiscal year and could have a material adverse financial impact on the District. As the Refunding Bonds are payable from *ad valorem* property taxes, the State budget is not expected to have an impact on the payment of the Refunding Bonds.

***School District Reserves.*** As described above, the State is accessing its reserves to mitigate the budget shortfall in fiscal year 2020-21, including drawing down all of the funds in the Public School System Stabilization Account. See “- 2020-21 State Budget.” In order to mitigate some of the reductions in State

revenue based on the 2020-21 State Budget, school districts may choose to access their local reserves. The District, which has an A.D.A. of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses. [At the time of the preparation of the District's fiscal year 2020-21 budget, the District is able to meet the 3% reserve requirement in fiscal year 2020-21. However, the District is not able to meet the 3% reserve requirement in fiscal years 2021-22 and 2022-23, and projects deficit spending and negative fund balances in such fiscal years. Since the District's original adopted budget for fiscal year 2020-21 was informed by the assumptions contained in the Governor's May revision to the proposed fiscal year 2020-21 State budget, which were significantly revised in the 2020-21 State Budget, the District's projections with respect to fiscal year 2020-21 have been revised. For more information, see “– District Budget Process and County Review.”] *[District to review/update/confirm.]*

***Prohibitions on Diverting Local Revenues for State Purposes.*** Beginning in 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and community college districts through a local Educational Revenue Augmentation Fund (“ERAF”) in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the State Legislature proposed an amendment to the State Constitution, which the State's voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of an initiative constitutional amendment at the November 2010 election, known as “Proposition 22.”

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. One effect of this amendment has been to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert \$1.935 billion in local property tax revenues in 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of \$1.7 billion in local property tax revenues from local redevelopment agencies, which local redevelopment agencies have now been dissolved (see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS - Assembly Bill No. 26 & *California Redevelopment Association v. Matosantos*”). Redevelopment agencies had sued the State over this latter diversion. However, the lawsuit was decided against the California Redevelopment Association on May 1, 2010. Because Proposition 22 reduces the State's authority to use or shift certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget in some years such as reducing State spending or increasing State taxes, and school and community college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

***Allocation of State Funding to School Districts; Local Control Funding Formula.*** Prior to the implementation of the Local Control Funding Formula in fiscal year 2013-14, under California Education Code Section 42238 and following, each school district was determined to have a target funding level: a “base revenue limit” per student multiplied by the district's student enrollment measured in units of average daily attendance. The base revenue limit was calculated from the district's prior-year funding level, as



adjusted for a number of factors, such as inflation, special or increased instructional needs and costs, employee retirement costs, especially low enrollment, increased pupil transportation costs, etc. Generally, the amount of State funding allocated to each school district was the amount needed to reach that district's base revenue limit after taking into account certain other revenues, in particular, locally generated property taxes. This is referred to as State "equalization aid." To the extent local tax revenues increased due to growth in local property assessed valuation, the additional revenue was offset by a decline in the State's contribution; ultimately, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State equalization aid, and received only its special categorical aid, which is deemed to include the "basic aid" of \$120 per student per year guaranteed by Article IX, Section 6 of the Constitution. Such districts were known as "basic aid districts," which are now referred to as "community funded districts." School districts that received some equalization aid were commonly referred to as "revenue limit districts," which are now referred to as "LCFF districts." The District is a LCFF district.

Beginning in fiscal year 2013-14, the LCFF replaced the revenue limit funding system and most categorical programs, and distributes combined resources to school districts through a base grant ("Base Grant") per unit of average daily attendance ("A.D.A.") with additional supplemental funding (the "Supplemental Grant") allocated to local educational agencies based on their proportion of English language learners, students from low-income families and foster youth. The LCFF was projected to have an eight-year implementation program to incrementally close the gap between actual funding and the target level of funding, as described below, but achieved full implementation ahead of schedule in fiscal year 2018-19. The LCFF includes the following components:

- A Base Grant for each local education agency ("LEA"). The Base Grants are based on four uniform, grade-span base rates. For fiscal year 2020-21, the LCFF provided to school districts and charter schools: (a) a Target Base Grant for each LEA equivalent to \$8,503 per A.D.A. for kindergarten through grade 3; (b) a Target Base Grant for each LEA equivalent to \$7,818 per A.D.A. for grades 4 through 6; (c) a Target Base Grant for each LEA equivalent to \$8,050 per A.D.A. for grades 7 and 8; (d) a Target Base Grant for each LEA equivalent to \$9,572 per A.D.A. for grades 9 through 12. However, the amount of actual funding allocated to the Base Grant, Supplemental Grants and Concentration Grants will be subject to the discretion of the State. This amount includes an adjustment of 10.4% to the Base Grant to support lowering class sizes in grades K-3, and an adjustment of 2.6% to reflect the cost of operating career technical education programs in grades 9-12. Further, this amount also includes a costs of living adjustment of 3.26% authorized by the 2019-20 State Budget. The 2020-21 State Budget suspends the statutory cost-of-living adjustment in fiscal year 2020-21. For more information, see "*2020-21 State Budget*."
- A 20% Supplemental Grant for the unduplicated number of English language learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.
- An additional Concentration Grant of up to 50% of a LEA's Base Grant, based on the number of English language learners, students from low-income families and foster youth served by the LEA that comprise more than 55% of enrollment.
- An Economic Recovery Target (the "ERT") that is intended to ensure that almost every LEA receives at least their pre-recession funding level (i.e., the fiscal year 2007-08 revenue limit per unit of A.D.A.), adjusted for inflation, at full implementation of the LCFF in fiscal year 2018-19. Upon full implementation in fiscal year 2018-19, LEAs now receive the greater of the Base Grant or the ERT.

Under LCFF, for community funded districts, local property tax revenues would be used to offset up to the entire allocation under the new formula. However, community funded districts would continue to receive the same level of State aid as allocated in fiscal year 2012-13.

***Local Control Accountability Plans.*** A feature of the LCFF is a system of support and intervention for local educational agencies. School districts, county offices of education and charter schools are required to develop, implement and annually update a three-year LCAP. Each LCAP must be developed with input from teachers, parents and the community, and should describe local goals as they pertain to eight areas identified as state priorities, including student achievement, parent engagement and school climate, as well as detail a course of action to attain those goals. Moreover, the LCAPs must be designed to align with the district's budget to ensure adequate funding is allocated for the planned actions.

Typically, each school district must submit its LCAP annually on or before July 1 for approval by its county superintendent. The county superintendent then has until August 15 to seek clarification regarding the contents of the LCAP, and the school district must respond in writing. The county superintendent can submit recommendations for amending the LCAP, and such recommendations must be considered, but are not mandatory. A school district's LCAP must be approved by its county superintendent by October 8 of each year if such superintendent finds (i) the LCAP adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the strategies outlined in the LCAP.

Performance evaluations are to be conducted to assess progress toward goals and guide future actions. County superintendents are expected to review and provide support to the school districts under their jurisdiction, while the State Superintendent of Public Instruction performs a corresponding role for county offices of education. The California Collaborative for Education Excellence (the "Collaborative"), a newly established body of educational specialists, was created to advise and assist local education agencies in achieving the goals identified in their LCAPs. For local education agencies that continue to struggle in meeting their goals, and when the Collaborative indicates that additional intervention is needed, the State Superintendent of Public Instruction would have authority to make changes to a local education agency's LCAP.

In response to the COVID-19 pandemic and the unique conditions under which many school districts are operating, Governor Newsom issued Executive Order N-56-20, which extends the deadline for school districts to submit their LCAP until December 15, 2020 if certain conditions are met, including that the school district prepares a written report to the community that explains the changes to program offerings the school district has made to address the COVID-19 emergency and the major impacts of such closures on students and families. [Accordingly, the District presented such report on [\_\_\_\_], 2020.]

Further, Senate Bill 98, a budget trailer bill adopted in connection with the 2020-21 State Budget, revises certain annual LCAP requirements, removes the requirement for a traditional LCAP for the 2020-21 school year and replaces such requirement with what is referred to as a Learning Continuity and Attendance Plan (the "Learning Continuity and Attendance Plan"). The Learning Continuity and Attendance Plan seeks to address funding stability for schools while providing information at the LEA level describing how student learning continuity will be addressed during the COVID-19 pandemic in the 2020-21 school year. The Learning Continuity and Attendance Plan is intended to balance the needs of all stakeholders, including educators, parents, students, and community members, while streamlining meaningful stakeholder engagement. The Learning Continuity and Attendance Plan memorializes the planning process already underway for the 2020-21 school year, and includes plans for the following: (i) addressing gaps in learning; (ii) conducting meaningful stakeholder engagement; (iii) maintaining transparency; (iv) addressing the needs of unduplicated pupils, students with unique needs, and students experiencing homelessness; (v) providing access to necessary devices and connectivity for distance learning; (vi) providing resources and support to address student and staff mental health and social

emotional well-being; and, (vii) continuing to provide school meals for students. [The District Board expects to adopt a Learning Continuity and Attendance Plan on or about \_\_\_\_\_, 2020 and submit such plan to LACOE in accordance with the Education Code, as modified by Executive Order N-56-20 and the 2020-21 State Budget.]

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**Attendance and LCFF.** The following table sets forth the District’s actual and budgeted A.D.A., enrollment (including percentage of students who are English language learners, from low-income families and/or foster youth (collectively, “EL/LI Students”)), and targeted Base Grant per unit of A.D.A. for fiscal years 2015-16 through 2020-21, respectively. The A.D.A. and enrollment numbers reflected in the following table include [special education students but exclude adult education and preschool attendance].

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT  
(Contra Costa County, California)  
Average Daily Attendance, Enrollment and Targeted Base Grant  
Fiscal Years 2015-16 through 2020-21**

Fiscal Year		A.D.A./Base Grant					Enrollment <sup>(10)</sup>	
		K-3	4-6	7-8	9-12	Total A.D.A.	Total Enrollment <sup>(11)</sup>	Unduplicated Percentage of EL/LI Students
2015-16	A.D.A. <sup>(1)</sup> :	8,935.87	7,548.82	5,151.63	9,756.65	31,392.97	32,255	8.34%
	Targeted Base Grant <sup>(2)(3)</sup> :	\$7,083	\$7,189	\$7,403	\$8,578	--	--	--
2016-17	A.D.A. <sup>(1)</sup> :	8,783.61	7,423.01	5,208.05	10,056.90	31,471.57	32,425	8.14%
	Targeted Base Grant <sup>(2)(4)</sup> :	\$7,820	\$7,189	\$7,403	\$8,801	--	--	--
2017-18	A.D.A. <sup>(1)</sup> :	8,578.21	7,334.57	5,210.06	10,360.08	31,482.92	32,504	8.80%
	Targeted Base Grant <sup>(2)(5)</sup> :	\$7,941	\$7,301	\$7,518	\$8,939	--	--	--
2018-19	A.D.A. <sup>(1)</sup> :	8,577.31	7,329.71	5,208.17	10,359.72	31,474.91	32,138	9.47%
	Targeted Base Grant <sup>(2)(6)</sup> :	\$8,235	\$7,571	\$7,796	\$9,269	--	--	--
2019-20	A.D.A. <sup>(1)</sup> :	[ ]	[ ]	[ ]	[ ]	[ ]	31,911	[ ]%
	Targeted Base Grant <sup>(2)(7)</sup> :	\$8,503	\$7,818	\$8,050	\$9,572	--	--	--
2020-21 <sup>(8)</sup>	A.D.A. :	[ ]	[ ]	[ ]	[ ]	[ ]	[31,694]	[ ]%
	Targeted Base Grant <sup>(2)(9)</sup> :	\$8,503	\$7,818	\$8,050	\$9,572	--	--	--

<sup>(1)</sup> A.D.A. for the second period of attendance, typically in mid-April of each school year, which does not reflect subsequent revisions related to days deemed later by the California Department of Education to have a “material decrease” in attendance or attendance at Saturday school.

<sup>(2)</sup> Such amounts represent the targeted amount of Base Grant per unit of A.D.A., and include the grade span adjustment, but do not include any supplemental and concentration grants under the LCFF. Such amounts were not expected to be fully funded in fiscal years shown above. However, the LCFF was fully implemented as of fiscal year 2018-19, two years ahead of its anticipated implementation.

<sup>(3)</sup> Targeted fiscal year 2015-16 Base Grant amount reflects a 1.02% cost-of-living adjustment from targeted fiscal year 2014-15 Base Grant amounts.

<sup>(4)</sup> Targeted fiscal year 2016-17 Base Grant amount reflects a 0.00% cost-of-living adjustment from targeted fiscal year 2015-16 Base Grant amounts.

<sup>(5)</sup> Targeted fiscal year 2017-18 Base Grant amount reflects a 1.56% cost-of-living adjustment from targeted fiscal year 2016-17 Base Grant amounts.

<sup>(6)</sup> Targeted fiscal year 2018-19 Base Grant amount reflects a 3.70% cost-of-living adjustment from targeted fiscal year 2017-18 Base Grant amounts. This “super COLA” amount was authorized by the 2018-19 State Budget and exceeds the statutory 2.71% cost-of-living adjustment.

<sup>(7)</sup> Targeted fiscal year 2019-20 Base Grant amount reflects a 3.26% cost-of-living adjustment from targeted fiscal year 2018-19 Base Grant amounts.

<sup>(8)</sup> Figures are estimates.

<sup>(9)</sup> Targeted fiscal year 2020-21 Base Grant amount reflects a 0% cost-of-living adjustment from targeted fiscal year 2019-20 Base Grant amounts.

<sup>(10)</sup> Reflects enrollment as of October report submitted to the California Longitudinal Pupil Achievement Data System. A school district’s percentage of unduplicated EL/LI Students is based on a rolling average of such school district’s EL/LI Students enrollment for the then-current fiscal year and the two immediately preceding fiscal years.

<sup>(8)</sup> [Decline in District enrollment is due to \_\_\_\_\_.]

Source: San Ramon Valley Unified School District.

The District expects that total enrollment will decrease in fiscal years 2020-21, 2021-22 and 2022-23. In response, the Board recently took action to set aside \$[ ] million in reserves to mitigate the impacts of declining enrollment. As a result, the District does not expect such decrease to have a material impact on the District's operations. *[District to confirm.]*

The District received approximately \$[ ] million (unaudited) in aggregate revenues reported under LCFF sources in fiscal year 2019-20, and has budgeted to receive approximately \$252.51 million in aggregate revenues under the LCFF in fiscal year 2020-21 (or approximately 74.79% of its general fund revenues in fiscal year 2020-21). Such amount includes supplemental grants and concentrated grants for targeted groups of \$[ ] (unaudited) and \$[ ] (unaudited), respectively, in fiscal year 2019-20, and are budgeted to be \$[ ] million and \$[ ] million, respectively, in fiscal year 2020-21.

***Infectious Disease Outbreak.*** In general, the outbreak of a highly contagious disease or epidemic disease could harm the District's financial results or result in a temporary shutdown of the District's facilities. As discussed above, school districts in California are funded based on the LCFF, which allocates a base grant per unit of average daily attendance with additional supplemental grants based on certain factors. See "- Allocation of State Funding to School District; Local Control Funding Formula." Thus, a temporary shutdown of a school or an entire school district would reduce the average daily attendance and could impact the funding a school district receives unless the State legislature or California Department of Education takes action to exclude such days from the calculations for funding purposes. Further, any impact on the State's tax and other revenue receipts as a result of a highly contagious or epidemic disease may in turn impact other educational funding that the District receives from the State. See "-Future Budgets and Budgetary Actions." In addition, the District may incur increased operational costs to conduct remote learning or to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease.

As a result of the outbreak of COVID-19, the District closed its schools for in-person instruction in March 2020 for the remainder of the 2019-20 school year and implemented a remote learning model. On August 13, 2020, the District started the 2020-21 school year using the remote learning model [with plans to transition to in-person instruction when permitted by State and local officials]. *[District to confirm.]*  
***[San Ramon Valley Team: We need to know (1) how COVID-19 impacted the District's finances in FY 19-20 and (2) the anticipated impact of COVID-19 on FY 20-21. For example, with FY 19-20, did you incur additional costs, where they offset by reductions in other areas, and are you expecting overall positive, negative, or flat impact to District's actuals for FY 19-20? For FY 20-21, are you budgeting for COVID-19 related protective equipment or what COVID-19 related expenses are you anticipating and how is that impacting the District's budget?]***

On March 17, 2020, the Governor signed Senate Bill 117 ("SB 117") as urgency legislation effective immediately. For purposes of school district funding for fiscal year 2019-20, SB 117 limits the average daily attendance reported to the California Department of Education to include the full school months from July 1, 2019, to February 29, 2020. This condensed ADA period applies to school districts that comply with Executive Order N-26-20, which provides that school districts that initiate a school closure to address COVID-19 will continue to receive State funding to support certain enumerated school functions during the period of closure. SB 117 further states the intent of the State Legislature that a school district's employees and contractors are paid during the period of a school closure due to COVID-19. SB 117 also waives instructional time penalties that would otherwise accrue, as long as the school district superintendent, county superintendent or charter school administrator certify that the closure due to COVID-19 caused the school district to fall below applicable instructional time requirements. SB 117 also includes \$100 million in additional funding to school districts for certain costs incurred as a result of COVID-19. The District expects to receive approximately \$[540,750] from such additional State funding.

Further, to mitigate the economic effects of the COVID-19 outbreak, the State may be able to access certain reserves. See “- State and School District Reserves.”

On March 27, 2020, the U.S. House of Representatives approved and President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (the “Cares Act”). The Cares Act provides \$30 billion to education, specifically \$3 billion allocated to state governors to be used at their discretion to address the emergency, \$13.5 billion for K-12 education, and \$14.25 billion for postsecondary institutions. School districts will be able to use their share of the \$13.5 billion K-12 education allocation under the Cares Act, which will be based on the proportion of Title I funding received for the most recent fiscal year, for purposes authorized by federal law and other specified uses. The District expects to receive approximately \$[401,694] from such additional federal funding.

On March 22, 2020, President Trump approved the Major Disaster Declaration for the State of California’s COVID-19 pandemic, authorizing federal emergency aid related to COVID-19. Local educational agencies may submit a request for public assistance through the California Office of Emergency Services for reimbursement of certain costs incurred as a result of COVID-19. [The District submitted a request for public assistance, but it cannot predict the amount of federal emergency aid it will receive, if any.][*District to confirm.*]

While SB 117, the Cares Act, and the federal emergency aid will provide some immediate relief to school districts, including the District, the short-term and long-term impacts of the COVID-19 outbreak are unknown as the situation is rapidly evolving. The District cannot predict whether similar legislation would be enacted in the event the outbreak of COVID-19 continues into fiscal year 2020-21 or beyond or a similar or other outbreak of a highly contagious disease or epidemic disease were to occur in the future.

### **Local Sources of Education Funding**

The principal component of local revenues is a school district’s property tax revenues, i.e., each district’s share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. California Education Code Section 42238(h) itemizes the local revenues that are counted towards the amount allocated under the LCFF (and formerly, the base revenue limit) before calculating how much the State must provide in State aid. The more local property taxes a district receives, the less State aid it is entitled to receive. Prior to the implementation of the LCFF, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State aid, and received only its special categorical aid which is deemed to include the “basic aid” of \$120 per student per year guaranteed by Article IX, Section 6 of the Constitution. Such districts were known as “basic aid districts,” which are now referred to as “community funded districts.” School districts that received some State equalization aid were commonly referred to as “revenue limit districts.” The District was a revenue limit district and is now referred to as a LCFF district.

Under the LCFF, local property tax revenues are used to offset up to the entire State aid collection under the new formula; however, community funded districts would continue to receive, at a minimum, the same level of State aid as allotted in fiscal year 2012-13. See “State Funding of Education; State Budget Process –*Allocation of State Funding to School Districts; Local Control Funding Formula*” for more information about the LCFF.

Local property tax revenues account for approximately [ ]% of the District’s aggregate revenues reported under LCFF sources and are approximately \$[ ] million, or [ ]% of total general fund revenues in fiscal year 2019-20 (unaudited). Local property tax revenues are budgeted to account for approximately 74.82% of the District’s aggregate revenues reported under LCFF sources and are budgeted to be approximately \$188.93 million, or 55.96% of total general fund revenues in fiscal year 2020-21.

For information about the property taxation system in California and the District's property tax base, see "– Property Taxation System," "– Assessed Valuation of Property Within the District," and "– Tax Charges and Delinquencies" under the caption "SECURITY AND SOURCE OF PAYMENT FOR THE REFUNDING BONDS" in the front portion of the Official Statement.

For a discussion of legal limitations on the ability of the District to raise revenues through local property taxes, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below.

***Effect of Changes in Enrollment.*** Changes in local property tax income and A.D.A. affect LCFF districts and community funded districts differently.

In LCFF districts, such as this District, increasing enrollment increases the total amount distributed under the LCFF and thus generally increases a district's entitlement to State equalization aid, while increases in property taxes do nothing to increase district revenues, but only offset the State funding requirement of equalization aid. Operating costs increase disproportionately slowly to enrollment growth; and only at the point where additional teachers and classroom facilities are needed. Declining enrollment has the reverse effect on LCFF districts, generally resulting in a loss of State equalization aid, while operating costs decrease slowly and only when, for example, the district decides to lay off teachers or close schools.

In community funded districts, the opposite is generally true: increasing enrollment increases the amount to which the district would be entitled were it a LCFF district, but since all LCFF income (and more) is already generated by local property taxes, there is no increase in State income, other than the \$120 per student in basic aid, as described above. Meanwhile, as new students impose increased operating costs, property tax income is stretched further. Declining enrollment does not reduce property tax income, and has a negligible impact on State aid, but eventually reduces operating costs, and thus can be financially beneficial to a community funded district.

## **Other District Revenues**

***Federal Revenues.*** The federal government provides funding for several District programs, including special education programs. Federal revenues, most of which are restricted, comprised approximately [ ]% (or approximately \$[ ] million) of the District's general fund revenues for fiscal year 2019-20 (unaudited), and comprise approximately 1.89% (or approximately \$6.38 million) of the District's general fund budgeted revenues for fiscal year 2020-21.

***Other State Revenues.*** In addition to State apportionments for Proposition 98 funding through the Local Control Funding Formula, the District receives other State revenues, consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into LCFF. Categorical funding for certain programs was excluded from LCFF, and school districts will continue to receive restricted State revenues to fund these programs. Other State revenues comprised approximately [ ]% (or approximately \$[ ] million) of the District's general fund revenues for fiscal year 2019-20 (unaudited), and comprise approximately 14.14% (or approximately \$47.73 million) of the District's general fund budgeted revenues for fiscal year 2020-21.

A portion of such other State revenues are amounts the District expects to receive from State lottery funds, a portion of which may not be used for non-instructional purposes, such as the acquisition of real property, the construction of facilities, or the financing of research. School districts receive lottery funds proportional to their total A.D.A. The District received approximately \$[ ] million in State lottery

revenue for fiscal year 2019-20 (unaudited), and has budgeted to receive approximately \$6.63 million from State lottery revenue in fiscal year 2020-21.

**Other Local Revenues.** In addition to *ad valorem* property taxes, the District receives additional local revenues from sources, such as interest income, leases and rentals, educational foundations, donations and sales of property. Other local revenues comprised approximately [ ]% (or approximately \$[ ] million) of the District's general fund revenues for fiscal year 2019-20 (unaudited), and comprise approximately 9.18% (or approximately \$31.01 million) of the District's general fund budgeted revenues for fiscal year 2020-21.

**Parcel Tax.** In May 2015 at an all-mailed ballot election held in the District, over two-thirds of those voting approved a qualified special tax (usually referred to as a "parcel tax") of not more than \$144 per parcel per year for nine years beginning on July 1, 2016 and ending on June 30, 2025. An exemption is provided to parcels owned and occupied by taxpayers aged 65 and older, upon proper application. The 2015 tax measure extended a measure approved in 2009 at \$144 per parcel per year that was set to expire on June 30, 2016. [In fiscal year 2019-20 (unaudited), the District received approximately \$[ ] million in parcel tax revenues (approximately [ ]% of total general fund revenue). Revenues from the tax in 2020-21 are budgeted to be at \$6.87 million (approximately 2.03% of projected total general fund revenue). These may be used to remedy cuts in State funding, retain teachers, maintain math, science, literacy and other academic programs, and to purchase instructional equipment, materials and supplies. In fiscal years 2016-17 and 2017-18, the District applied such funds to teacher salaries and benefits.]

**Local Donations.** [The District receives revenue in the form of local donations to District schools for various specified purposes. Such donations, in the aggregate, totaled approximately \$20.2 million, \$[ ] million, \$[ ] million and \$[ ] million in fiscal years 2016-17, 2017-18, 2018-19 and 2019-2020 (unaudited), respectively. Such amounts are restricted funds and are generally given for a specific purpose for a specific school site, and such amounts are not available to pay debt service on the District's bonds, including the Refunding Bonds.]

### **Significant Accounting Policies and Audited Financial Reports**

The State Department of Education imposes by law uniform financial reporting and budgeting requirements for K-12 districts. Financial transactions are accounted for in accordance with the Department of Education's California School Accounting Manual. This manual, according to Section 41010 of the Education Code, is to be followed by all California school districts, including the District. Significant accounting policies followed by the District are explained in Note 1 to the District's audited financial statements for the fiscal year ended June 30, 2019, which are included as Appendix B.

Independently audited financial reports are prepared annually in conformity with generally accepted accounting principles for educational institutions. The annual audit report is generally available about six months after the June 30 close of each fiscal year. The following tables contain data abstracted from financial statements prepared by the District's former independent auditor, Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants ("VTD"), Pleasanton, California, for fiscal years 2014-15 through 2017-18, and by the District's current independent auditor, Eide Bailly LLP ("Eide Bailly"), San Ramon, California, for fiscal year 2018-19. On July 22, 2019, VTD joined Eide Bailly.

VTD and Eide Bailly have not been requested to consent to the use or to the inclusion of their respective reports in this Official Statement, and they have not audited or reviewed this Official Statement. The District is required by law to adopt its audited financial statements after a public meeting to be conducted no later than January 31 following the close of each fiscal year.



The table on the following page sets forth the statement of revenues, expenditures and changes in fund balances for the District's general fund for the fiscal years 2014-15 through 2018-19.

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**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT**  
**(Contra Costa County, California)**  
**Statement of General Fund Revenues, Expenditures and Changes in Fund Balance**  
**Fiscal Years 2014-15 through 2018-19**

	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19
<b>REVENUES</b>					
LCFF sources	\$206,748,980	\$232,401,343	\$245,283,515	\$251,527,726	\$269,524,511
Federal sources	6,337,036	6,110,032	6,343,067	6,209,631	6,486,218
Other state sources	35,920,707	56,767,578	46,321,972	50,959,048	49,049,808
Other local sources	33,401,983	33,140,437	33,646,112	33,929,742	35,454,717
<b>Total Revenues</b>	<b>282,408,706</b>	<b>328,419,390</b>	<b>331,594,666</b>	<b>342,626,147</b>	<b>360,515,254</b>
<b>EXPENDITURES</b>					
Current					
Instruction	179,363,457	198,287,631	208,044,842	215,828,777	219,441,321
Instruction-related activities:					
Supervision of instruction	8,425,670	9,114,321	9,119,099	8,073,818	8,054,010
Instructional library, media and technology	4,498,088	5,222,604	6,056,328	6,477,097	6,296,479
School site administration	20,177,542	22,412,563	23,201,067	24,935,926	25,227,157
Pupil services:					
Home-to-school transportation	4,977,668	5,012,550	5,220,324	5,928,433	6,797,299
Food services	4,925	3,658	47	790	306
All other pupil services	14,279,774	16,291,136	17,981,253	19,731,746	20,954,422
Administration:					
Data processing	2,427,705	2,685,846	2,315,408	3,013,590	4,538,071
All other administration	10,944,663	11,482,771	12,614,699	11,973,042	13,509,738
Plant services	27,204,507	30,324,365	31,966,949	33,117,091	35,646,758
Facility acquisition and construction	27,382	221,787	2,261,918	547,817	4,503,241
Ancillary services	3,345,317	3,605,128	3,927,174	3,830,031	4,230,668
Community services	471,337	639,726	920,184	871,860	1,093,150
Other outgo	1,012,108	1,625,995	1,601,060	1,345,681	1,523,108
Debt service:					
Principal	388,394	195,143	66,671	65,181	67,647
Interest and Other	14,798	5,193	10,058	7,682	5,216
<b>Total Expenditures</b>	<b>277,563,335</b>	<b>307,130,417</b>	<b>325,307,081</b>	<b>335,748,562</b>	<b>351,888,591</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>4,845,371</b>	<b>21,288,973</b>	<b>6,287,585</b>	<b>6,877,585</b>	<b>8,626,663</b>
<b>Other Financing Sources (Uses):</b>					
Transfers in	1,314,199	-	475,000	-	-
Other sources	443,944	299,445	-	-	-
Transfers out <sup>(1)</sup>	(4,503,718)	(3,068,800)	(3,455,582)	(3,245,878)	(31,297,194)
<b>Net Financing Sources (Uses)</b>	<b>(2,745,575)</b>	<b>(2,769,355)</b>	<b>(2,980,582)</b>	<b>(3,245,878)</b>	<b>(31,297,194)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,099,796</b>	<b>18,519,618</b>	<b>3,307,003</b>	<b>3,631,707</b>	<b>(22,670,531)</b>
<b>Fund Balances, July 1</b>	<b>35,164,634</b>	<b>37,264,430</b>	<b>55,784,048</b>	<b>59,091,051</b>	<b>62,722,758</b>
<b>Fund Balances, June 30</b>	<b>\$ 37,264,430</b>	<b>\$ 55,784,048</b>	<b>\$ 59,091,051</b>	<b>\$ 62,722,758</b>	<b>\$ 40,052,227</b>

<sup>(1)</sup> The transfers out of the District's General Fund to other funds and accounts of the District are to pay for current and future expenditures, including expenditures related to food service, debt service on the District's solar equipment financing (as described in more detail in "DISTRICT FINANCIAL MATTERS – District Debt Structure – Private Placement Solar Lease" herein) and maintenance and infrastructure. *[District to describe reason for increasing transfers in 18-19.]*  
Source: San Ramon Valley Unified School District Audited Financial Reports for fiscal years 2014-15 through 2018-19.

The following table sets forth the general fund balance sheet of the District for fiscal years 2014-15 through 2018-19.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT**  
**(Contra Costa County, California)**  
**Summary of General Fund Balance Sheet**  
**Fiscal Years 2014-15 through 2018-19**

	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19
<b>ASSETS</b>					
Deposits and investments	\$34,700,761	\$41,859,227	\$66,339,934	\$57,321,940	\$45,374,277
Receivables	14,065,323	23,186,668	6,292,908	11,405,307	10,001,114
Due from other funds	1,850,707	2,178,469	-	4,792,924	939,770
Prepaid expenditures	202,340	210,608	170,492	785,693	1,138,302
Stores inventories	54,721	49,538	55,037	59,253	79,254
<b>Total Assets</b>	<b>\$50,873,852</b>	<b>\$67,484,510</b>	<b>\$72,858,371</b>	<b>\$74,365,117</b>	<b>\$57,532,717</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 7,482,225	\$ 5,408,628	\$12,580,720	\$5,341,396	\$12,461,546
Due to other funds	5,999,222	6,234,264	546,009	5,769,572	4,918,113
Unearned Revenue	127,975	57,570	640,591	531,391	100,831
<b>Total Liabilities</b>	<b>13,609,422</b>	<b>11,700,462</b>	<b>13,767,320</b>	<b>11,642,359</b>	<b>17,480,490</b>
<b>Fund Balances:</b>					
Nonspendable	319,061	323,146	334,529	954,846	1,332,456
Restricted	7,247,777	11,600,332	9,044,385	11,684,143	10,831,434
Assigned	3,575,452	10,687,598	18,250,152	19,123,706	15,949,018
Unassigned	26,122,140	33,172,972	31,461,985	30,960,063	11,939,319
<b>Total Fund Balances</b>	<b>37,264,430</b>	<b>55,784,048</b>	<b>59,091,051</b>	<b>62,722,758</b>	<b>40,052,227</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$50,873,852</b>	<b>\$67,484,510</b>	<b>\$72,858,371</b>	<b>\$74,365,117</b>	<b>\$57,532,717</b>

Source: San Ramon Valley Unified School District Audited Financial Reports for fiscal years 2014-15 through 2018-19.

### **District Budget Process and County Review**

State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the County of Contra Costa Superintendent of Schools.

The county superintendent must review and approve, conditionally approve or disapprove the budget no later than September 15. The county superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. In the event that the county superintendent conditionally approves or disapproves the school district's budget, the county superintendent will submit to the governing board of the school district no later than September 15

of such year written recommendations regarding revisions of the budget and the reasons for the recommendations, including, but not limited to, the amounts of any budget adjustments needed before the county superintendent can approve that budget.

The governing board of the school district, together with the county superintendent, must review and respond to the recommendations of the county superintendent on or before October 8 at a regular meeting of the governing board of the school district. The county superintendent will examine and approve or disapprove of the revised budget by November 8 of such year. If the county superintendent disapproves a revised budget, the county superintendent will call for the formation of a budget review committee. By December 31 of each year, every school district must have an adopted budget, or the Superintendent of Public Instruction (the "State Superintendent") may impose a budget and will report such school district to the State Legislature and the Department of Finance.

Subsequent to approval, the county superintendent will monitor each school district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the school district can meet its current or subsequent year financial obligations.

If, after taking various remedial actions, the county superintendent determines that a school district cannot meet its current or the subsequent year's obligations, the county superintendent will notify the school district's governing board, the State Superintendent and the president of the State board (or the president's designee) of the determination and take at least one of the following actions, and all actions that are necessary to ensure that the school district meets its financial obligations: (a) develop and impose, after also consulting with the State Superintendent and the school district's governing board, revisions to the budget that will enable the school district to meet its financial obligations in the current fiscal year, (b) stay or rescind any action inconsistent with the ability of the school district to meet its obligations for the current or subsequent fiscal year, (c) assist in developing, in consultation with the school district's governing board, a financial plan that will enable the school district to meet its future obligations, (d) assist in developing, in consultation with the school district's governing board, a budget for the subsequent fiscal year, and (e) as necessary, appoint a fiscal advisor to perform the aforementioned duties. The county superintendent will also make a report to the State Superintendent and the president of the State board or the president's designee about the financial condition of the school district and the remedial actions proposed by the county superintendent. However, the county superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the county superintendent assumed authority.

A State law adopted in 1991 (known as "A.B. 1200") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200 and the Education Code (Section 42100 et seq.), each school district is required to file two interim certifications with the county superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that, based on then current projections, will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that, based on then current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that, based on then current projections, will not meet its financial obligations for the current fiscal year or the two subsequent fiscal years. A certification may be revised to a negative or qualified certification by the county superintendent, as appropriate. A school district that receives a qualified or negative certification for its second interim report must provide to the county superintendent, the State Controller and the State Superintendent no later

than June 1, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30.

Any school district that receives a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax and revenue anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the school district, unless the county superintendent determines that the school district's repayment of indebtedness is probable. In the past five years, the District has not received a negative or qualified certification for an interim financial report.

For school districts under fiscal distress, the county superintendent is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent is not authorized to approve any diversion of revenue from ad valorem property taxes levied to pay debt service on district general obligation bonds.

A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent, request an emergency appropriation from the State, in which case the county superintendent, the State Superintendent and the president of the State board or the president's designee will appoint a trustee to serve the school district until it has adequate fiscal systems and controls in place. The acceptance by a school district of an emergency apportionment exceeding 200% of the reserve recommended for that school district constitutes an agreement that the county superintendent will assume control of the school district in order to ensure the school district's return to fiscal solvency.

In the event the State elects to provide an emergency apportionment to a school district, such apportionment will constitute an advance payment of apportionments owed to the school district from the State School Fund and the Education Protection Account. The emergency apportionment may be accomplished in two ways. First, a school district may participate in a two-part financing in which the school district receives an interim loan from the State general fund, with the agreement that the school district will subsequently enter into a lease financing with the California Infrastructure and Economic Development Bank for purposes of financing the emergency apportionment, including repaying such amounts advanced to the State general fund. State law provides that so long as bonds from such lease financing are outstanding, the recipient school district (via its administrator) cannot file for bankruptcy. As an alternative, a school district may receive an emergency apportionment from the State general fund that must be repaid in 20 years. Each year, the State Superintendent will withhold from the apportionments to be made to the school district from the State School Fund and the Education Protection Account an amount equal to the emergency apportionment repayment that becomes due that year. The determination as to whether the emergency apportionment will take the form of a lease financing or an emergency apportionment from the State general fund will be based upon the availability of funds within the State general fund.

The table on the following page A-22 sets forth the District's adopted general fund budgets for fiscal years 2017-18 through 2020-21, and unaudited actuals for fiscal years 2017-18 through 2019-20.

The District's original adopted budget for fiscal year 2020-21, which is included in the table below and described throughout this Appendix A, reflects the assumptions contained in the Governor's May revision to the proposed fiscal year 2020-21 State budget, which were significantly revised in the 2020-21 State Budget. After analyzing the revised assumptions included in the 2020-21 State Budget, District officials presented an update to the Board of Education on August 25, 2020 describing the expected impact of such assumptions on the District's fiscal year 2020-21 budget, which include:

- LCFF: An additional \$21.75 million in LCFF revenue;

- Other State Revenue: An additional \$1.96 million in Other State Revenue due to reductions in Lottery and the addition of a State grant for COVID-19 LEA Response;
- Federal Stimulus: An additional \$9.83 million in learning loss mitigation funding;
- Expenditures: An increase of \$1.15 million in Service and Other Operating Expense due to COVID-19 grant expenditures;

Given the rapidly evolving nature of the COVID-19 pandemic and the uncertainty of additional federal funding and its impact on the 2020-21 State Budget, the District's budget for fiscal year 2020-21 is subject to change throughout the current fiscal year as additional information becomes available.

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**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT**  
**(Contra Costa County, California)**  
**General Fund Budgets for Fiscal Years 2017-18 through 2020-21**  
**and Unaudited Actuals for Fiscal Years 2017-18 through 2019-20**

	2017-18 Original Adopted Budget	2017-18 Unaudited Actuals	2018-19 Original Adopted Budget <sup>(2)</sup>	2018-19 Unaudited Actuals	2019-20 Original Adopted Budget	2019-20 Unaudited Actuals	2020-21 Original Adopted Budget <sup>(3)</sup>
<b>REVENUES</b>							
LCFF Sources	\$252,017,550.00	\$251,527,726.75	\$267,604,277.00	\$269,524,511.00	\$275,817,790.00	\$	\$252,507,184.00
Federal Revenue	6,384,594.00	6,209,631.10	6,332,109.00	6,486,218.01	6,358,456.00		6,375,307.00
Other State Revenue	41,070,222.00	50,959,047.31	51,041,466.00	49,049,807.24	40,611,208.00		47,725,201.00
Other Local Revenue	30,577,391.00	33,929,743.06	31,397,152.00	35,454,718.68	30,011,049.00		31,005,638.00
<b>TOTAL REVENUES</b>	<b>330,049,757.00</b>	<b>342,626,148.22</b>	<b>356,375,004.00</b>	<b>360,515,254.93</b>	<b>352,798,503.00</b>		<b>337,613,330.00</b>
<b>EXPENDITURES</b>							
Certificated Salaries	142,619,631.00	148,842,902.74	147,361,975.00	149,947,530.35	156,695,847.00		152,781,549.00
Classified Salaries	50,703,007.00	53,116,068.47	53,399,362.00	54,683,126.02	54,721,136.00		56,215,767.00
Employee Benefits	86,725,025.00	87,916,362.65	92,847,902.00	91,919,769.83	98,241,277.00		104,198,183.00
Books and Supplies	11,760,827.00	11,533,717.36	12,546,263.00	12,650,774.76	12,911,842.00		11,266,344.00
Services, Other Operating Expenses	28,768,462.00	31,632,042.23	31,493,456.00	35,236,096.80	32,396,134.00		32,230,730.00
Capital Outlay	311,603.00	1,288,924.57	1,282,699.00	5,855,323.08	183,500.00		176,000.00
Other Outgo (excluding Direct Support/Indirect Costs)	1,447,158.00	1,418,544.42	1,594,863.00	1,595,970.93	1,412,463.00		1,308,867.00
<b>TOTAL EXPENDITURES</b>	<b>322,335,713.00</b>	<b>335,748,562.44</b>	<b>340,526,520.00</b>	<b>351,888,591.77</b>	<b>356,562,199.00</b>		<b>358,177,440.00</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>7,714,044.00</b>	<b>6,877,585.78</b>	<b>15,848,484.00</b>	<b>8,626,663.16</b>	<b>(3,763,696.00)</b>		<b>(20,564,110.00)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Inter-fund Transfers In	-	-	-	-	-		4,500,000.00
Inter-fund Transfers Out <sup>(1)</sup>	(3,100,649.00)	(3,245,878.16)	(3,374,764.00)	(31,297,193.33)	(2,778,951.00)		(910,450.00)
Other Sources (Uses)	-	-	-	-	-		-
<b>TOTAL, OTHER FINANCING SOURCES (USES)</b>	<b>(3,100,649.00)</b>	<b>(3,245,878.16)</b>	<b>(3,374,764.00)</b>	<b>(31,297,193.33)</b>	<b>(2,778,951.00)</b>		<b>3,589,550.00</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	<b>4,613,395.00</b>	<b>3,631,707.62</b>	<b>12,473,720.00</b>	<b>(22,670,530.17)</b>	<b>(6,542,647.00)</b>		<b>(16,974,560.00)</b>
<b>BEGINNING BALANCE, as of July 1</b>	<b>56,000,781.55</b>	<b>59,091,050.03</b>	<b>54,054,702.07</b>	<b>62,722,757.65</b>	<b>25,526,444.65</b>		<b>32,574,270.59</b>
<b>ENDING BALANCE, June 30</b>	<b>\$60,614,176.55</b>	<b>\$62,722,757.65</b>	<b>\$66,528,422.07</b>	<b>\$40,052,227.48</b>	<b>\$18,983,797.65</b>	<b>\$</b>	<b>\$15,599,710.59</b>
<b>Unrestricted Ending Balance</b>	<b>\$58,362,841.79</b>	<b>\$50,828,594.02</b>	<b>\$59,870,343.87</b>	<b>\$28,913,043.74</b>	<b>\$16,799,020.02</b>	<b>\$</b>	<b>\$11,940,852.74</b>
<b>Restricted Ending Balance</b>	<b>\$2,251,334.76</b>	<b>\$11,894,163.63</b>	<b>\$6,658,078.20</b>	<b>\$11,139,183.74</b>	<b>\$2,184,777.63</b>	<b>\$</b>	<b>\$3,658,857.85</b>

<sup>(1)</sup> The transfers out of the District's General Fund to other funds and accounts of the District are to pay for current and future expenditures, including expenditures related to food service, debt service on the District's solar equipment financing (as described in more detail in "DISTRICT FINANCIAL MATTERS – District Debt Structure – Private Placement Solar Lease" herein) and maintenance and infrastructure.

<sup>(2)</sup> The District expected that the budgeted excess revenues for fiscal year 2018-19 were to be reduced as a result of salary increases to all employee groups, which it expected to amount to approximately \$4.4 million in additional expenditures. Further, the District expected to transfer certain unrestricted funds to the Special Reserve for Capital Outlay Fund (Fund 40), which was not reflected in the District's original budget for fiscal year 2018-19. All funds within the Special Reserve for Capital Outlay Fund (Fund 40) are at the Board's discretion to designate as permitted by law.

<sup>(3)</sup> [The District anticipates incurring an operating deficit in fiscal year 2020-21 due to \_\_\_\_\_.]

Source: San Ramon Valley Unified School District adopted general fund budgets for fiscal years 2017-18 through 2020-21; and unaudited actuals for fiscal years 2017-18 through 2019-20.

## District Debt Structure

**Long-Term Debt Summary.** A schedule of changes in the District’s long-term obligations for the year ended June 30, 2019, consisted of the following:

Long-Term Debt	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Due Within One Year
General obligation bonds <sup>(1)</sup>	\$411,375,000	\$60,005,000	\$22,715,000	\$448,665,000	\$22,035,000
Ground Lease	12,518,667	-	666,380	11,852,287	697,349
Lease revenue bonds	14,950,000	-	1,615,000	13,335,000	1,620,000
Compensated absences	2,140,482	112,343	-	2,252,825	118,548
Capital leases	299,423	-	157,920	141,503	141,503
Premiums, net of amortization	30,451,201	6,400,024	3,115,794	33,735,431	-
Net pension liability	336,285,130	24,282,802	-	360,567,932	-
Net other postemployment benefits (OPEB) liability	66,275,921	-	4,937,130	61,338,791	-
Total	\$874,295,824	\$90,800,169	\$33,207,224	\$931,888,769	\$24,612,400

<sup>(1)</sup> Includes the Refunded Bonds; excludes the Refunding Bonds.

Source: San Ramon Valley Unified School District Audited Financial Report for fiscal year 2018-19.

**General Obligation Bonds.** In addition to the Refunding Bonds, the District has outstanding five additional series of general obligation bonds, each of which is secured by *ad valorem* taxes levied upon all property subject to taxation by the District on a parity with the Refunding Bonds. See “THE REFUNDING BONDS – Outstanding Bonds” and “– Aggregate Debt Service” in the front portion of this Official Statement for more information about such outstanding bonds.

**Lease Revenue Bonds.** On July 20, 2010, the District entered into a lease obligation and caused \$25,000,000 of related federally taxable lease revenue bonds to be issued with interest ranging from 2.397% to 6.254%. The lease obligation was entered into to finance the construction of solar panels at several school sites. Interest with respect to the District’s lease obligation is payable semi-annually on each November 1 and May 1, through the final maturity of the bonds on May 1, 2027. At June 30, 2019, the principal balance outstanding was \$13,335,000.

The lease revenue bonds were issued as “qualified school construction bonds” under the provisions of the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”), and the District expects to receive a cash subsidy payment from the United States Treasury (the “Treasury”) equal to a portion of the interest due on each interest payment date on such bonds. The subsidy does not constitute a full faith and credit guarantee of the United States with respect to such bonds, but, assuming the District satisfies the requirements of the Internal Revenue Code of 1986, the subsidy is required to be paid by the Treasury under the Recovery Act. Any subsidy payments received by the District will offset the interest cost of the District under the related lease obligation. The District makes no assurances about the effect of future legislative or policy changes or tax liabilities of the District on the amount or receipt of the subsidy payments from the Treasury.



The District's lease obligation through May 1, 2027 is as follows:

Year Ending, June 30	Principal	Interest	Total
2020	\$1,620,000	\$844,103	\$2,464,103
2021	1,630,000	751,699	2,381,699
2022	1,635,000	655,463	2,290,463
2023	1,650,000	555,663	2,205,663
2024	1,665,000	452,472	2,117,472
2025-2027	5,135,000	686,360	5,821,360
Total	<u>\$13,335,000</u>	<u>\$3,945,760</u>	<u>\$17,280,760</u>

Source: San Ramon Valley Unified School District Audited Financial Report for fiscal year 2018-19.

***Private Placement Solar Lease.*** On December 1, 2015, the District and the San Ramon Valley Unified School District Joint Powers Financing Authority (the "Authority") entered into a ground lease agreement and lease agreement with HAS OBS Op A LLC (the "Purchaser") for the purpose of financing solar projects at 15 school sites. The District agreed to lease the Vista Grande Elementary School (the "Property") to the Authority and the Authority leased the Property back to the District. The Purchaser agrees to purchase from the Authority the Authority's right, title and interest in the ground lease and the lease agreement, including its right to receive the base rental payment due under such lease Agreement at a purchase price of \$12,518,667. The District is obligated for the total base rental payment of \$12,518,667 at an interest rate of 3.86% over a 25-year term. Since the Project funded with proceeds of this financing was part of the new clean renewable energy bonds program under Section 54C(a) of the Internal Revenue Code, the District expects to receive IRS subsidy payments to offset most of the interest costs. Based on current sequestration conditions, the net effective interest rate after IRS subsidy payments is estimated at 0.85%. As of June 30, 2019, the lease matures on August 1, 2031 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2020	\$ 697,349	\$ 444,039	\$1,141,388
2021	729,261	416,506	1,145,767
2022	762,143	387,722	1,149,865
2023	796,022	357,649	1,153,671
2024	830,926	326,249	1,157,175
2025-2029	4,716,063	1,110,912	5,826,975
2030-2032	3,320,523	195,620	3,516,143
Total	<u>\$11,852,287</u>	<u>\$3,238,697</u>	<u>\$15,090,984</u>

Source: San Ramon Valley Unified School District Audited Financial Report for fiscal year 2018-19.

***[Early Retirement Incentive.*** In January 2010, the District entered into agreements with certain employees retiring from the District effective at June 30, 2010 to provide a supplemental early retirement plan to each of the 35 retiring employees. The agreement calls for monthly installments to be paid within the next seven years beginning August 1, 2010 towards post-retirement benefits equal to the amount of the single party Kaiser District health plan or once Medicare eligible, single party Kaiser Senior Advantage District health plan. As of June 30, 2019, the outstanding balance was \$[\_\_\_\_\_].] ***[District to confirm.]***

***Compensated Absences (Vacation).*** Compensated absences (unpaid employee vacation) for the District at June 30, 2019, amounted to \$2,252,825.

**Capital Leases.** The District has entered into agreements to lease various equipment and vehicles. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The District's liabilities on lease agreements with options to purchase are summarized below:

	Trucks	Data Back-up System	Total
Balance, July 1, 2018	\$135,963	\$163,462	\$299,425
Additions	-	-	-
Payments	(90,275)	(67,647)	(157,922)
Balance, July 1, 2019	<u>\$45,688</u>	<u>\$95,815</u>	<u>\$141,503</u>

Source: San Ramon Valley Unified School District Audited Financial Report for fiscal year 2018-19.

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2020	\$144,528
Less: Amount Representing Interest	(3,025)
Present Value of Minimum Lease Payments	<u>\$141,503</u>

Source: San Ramon Valley Unified School District Audited Financial Report for fiscal year 2018-19.

Leased equipment under capital leases in capital assets and accumulated depreciation at June 30, 2019, include the following:

Buildings	\$1,689,837
Equipment	56,852
Less: Accumulated depreciation	(1,295,194)
Total	<u>\$451,495</u>

Source: San Ramon Valley Unified School District Audited Financial Report for fiscal year 2018-19.

**Other Post-Employment Benefits (OPEBs).** In addition to the retirement plan benefits with CalSTRS and CalPERS (defined below), the District administers a single-employer defined postemployment benefits plan (the "Plan"). The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The Board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

At June 30, 2017 (the valuation date), the Plan membership consisted of 3,273 total employees, which included 2,275 active employees and 998 inactive employees or beneficiaries currently receiving benefits.

**Contributions.** No assets are accumulated in a trust that meets the criteria of Statement Number 75 (as defined below). The contribution and benefit payments requirements of the Plan members and the District are established and may be amended by the District, the Teacher Education Association ("TEA"), the local California Service Employees Association ("CSEA"), and unrepresented groups. The required contribution and benefit payments are based on projected pay-as-you-go financing requirements, along with an additional amount to prefund benefits, as determined annually through the agreements with the District, TEA, CSEA, and the unrepresented groups. For fiscal year 2018-19, the District paid \$1,160,926 in benefit payments and \$3,034,743 to the Plan, all of which was used for current premiums.

**Total OPEB Liability.** Nyhart Actuary & Employee Benefits has prepared an actuarial valuation for the Plan (the “Actuarial Report”). As of a June 30, 2019 valuation date, the District’s total (accrued) OPEB liability is \$1,940,500. The total OPEB liability in the Actuarial Report was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified: discount rate of 7.00%, 2.75% inflation, 3.00% average salary increases and 7.00% investment rate of return. [The District has not established an irrevocable trust to prefund its OPEB liability.]

The following summarizes the changes in the total OPEB liability, net OPEB liability, and Plan fiduciary net position during the year ended June 30, 2019, for the measurement date of June 30, 2018:

	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position<sup>(1)</sup></b>	<b>Net OPEB Liability</b>
<b>Balance at June 30, 2018</b>	<b>\$89,124,003</b>	<b>\$22,943,705</b>	<b>\$66,180,298</b>
Service cost	4,072,668	-	4,072,668
Differences between expected and actual experience	3,439,513	-	3,439,513
Contributions - employer	-	2,751,146	(2,751,146)
Net investment income	-	1,786,399	(1,786,399)
Changes of assumptions or other inputs	(7,858,440)	-	(7,858,440)
Benefit payments	(2,952,650)	(2,994,947)	42,297
<b>Net change in total OPEB liability</b>	<b>(3,298,909)</b>	<b>1,542,598</b>	<b>(4,841,507)</b>
<b>Balance at June 30, 2019</b>	<b>\$85,825,094</b>	<b>\$24,486,303</b>	<b>\$61,338,791</b>

Source: San Ramon Valley Unified School District Audited Financial Report for fiscal year 2018-19.

For more information regarding the District’s OPEB obligations and liabilities for fiscal year 2018-19, see Note 9 to the District’s financial statements in APPENDIX B – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2019.”

In June 2015, the Governmental Accounting Standards Board (“GASB”) issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (“Statement Number 75”). OPEBs generally include post-employment health benefits (medical, dental, vision, prescription drug and mental health), life insurance, disability benefits and long term care benefits. The objective of Statement Number 75 is to improve accounting and financial reporting by the State and local governments for OPEB by requiring the recognition of entire OPEB liability, a more comprehensive measure of OPEB expense, new note disclosures and certain required supplementary information. In addition, Statement Number 75 sets forth additional accounting methods to improve the usefulness of information about OPEB included in the general purpose external financial reports of State and local governmental OPEB plans for making decisions and assessing accountability. Statement Number 75 results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. Statement Number 75 replaces GASB Statements Number 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and Number 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. The District has implemented Statement Number 75 in its financial statements beginning with fiscal year 2017-18.

**Tax and Revenue Anticipation Notes.** The District did not issue tax and revenue anticipation notes (“TRANS”) or borrow funds to supplement the District’s cash flow in fiscal years 2018-19 and 2019-20. While the District anticipates cashflow challenges in fiscal year 2020-21 due to deferrals in State funding,

the District plans to rely on inter-fund borrowing as opposed to issuing TRANS. See “State Funding of Education; State Budget Process – 2020-21 State Budget” for more information regarding State funding deferrals. ***[District to confirm.]*** The District may issue TRANS or borrow funds in future fiscal years as and if necessary to supplement cash flow.

## Employment

As of [\_\_\_\_], 2020 the District employed approximately [\_\_\_\_] employees consisting of [\_\_\_\_] full-time-equivalent (“FTE”) non-management certificated employees, [\_\_\_\_] certificated management employees, [\_\_\_\_] FTE classified non-management employees and [\_\_\_\_] classified management employees. For fiscal year 2019-20, the total certificated and classified payrolls, were approximately [\_\_\_\_] million (unaudited) and [\_\_\_\_] million (unaudited), respectively, and are budgeted to be approximately \$152.78 million and \$56.22 million, respectively, in fiscal year 2020-21.

The District’s certificated and classified employees are represented by formal bargaining organizations as shown in the table below. In addition, certain supervisors and management employees, an aggregate of approximately [\_\_\_\_] FTE positions, are not represented by an exclusive bargaining agent. Salaries and benefits for supervisors, management and confidential employees are determined through an informal process of “meet and confer” with representatives from each of these classifications. ***[District to describe status of negotiations with SRVEA and CSEA – Are you operating under existing contract until a new contract is in place? Are any reopener negotiations ongoing with SEIU?]***

Name of Bargaining Unit	Approx. Number of FTEs Represented	Current Contract Expiration Date <sup>(1)</sup>
San Ramon Valley Education Association (SRVEA)	[____]	[June 30, 2019]
California School Employees Association Unit II (CSEA)	[____]	[June 30, 2019]
California School Employees Association Unit III (CSEA)	[____]	[June 30, 2019]
Service Employees International Union (SEIU), Local 1021	[____]	[June 30, 2021]

<sup>(1)</sup> [District to provide status of negotiations or expiration date of new contracts.]  
Source: San Ramon Valley Unified School District.

## Cybersecurity

The District collects, processes, and distributes an enormous amount of private, protected and personal information on students, staff, parents, visitors, and contractors. As the custodian of such information, the District may face cybersecurity threats from time to time. ***[District to describe any cybersecurity events within the past 5 years. Does the District have a cybersecurity policy in place? Does the District have cybersecurity insurance? Has the District implemented any other practices to reduce or defend against cybersecurity threats/attacks?]***

## Retirement Benefits

The District participates in retirement plans with CalSTRS, which covers all full-time certificated District employees, including teachers and administrators, and CalPERS, which covers certain classified employees. Classified school personnel who are employed four or more hours per day may participate in CalPERS.

***CalSTRS.*** The CalSTRS defined benefit pension plan provides retirement benefits (generally 2% of final compensation for each year of credited service) to participating employees based on hiring date, age, final compensation and years of credited service. The CalSTRS benefit pension plan is funded through a combination of investment earnings and statutorily set contributions from participating employees,

employers (including the District) and the State. Prior to fiscal year 2014-15, the statutorily set rates did not vary annually to adjust for funding shortfalls or actuarial surpluses. As a result, the combined employee, employer and State contributions to CalSTRS were not sufficient to pay actuarially determined amounts. To address the shortfall and implement a new funding strategy, Governor Brown signed into law Assembly Bill 1469 on June 24, 2014, as part of the fiscal year 2014-15 State budget (the “2014-15 State Budget”). The 2014-15 State Budget introduced phased increases to employee, employer and State contributions to CalSTRS and sets forth a plan to eliminate CalSTRS’ unfunded liability by June 30, 2046.

The 2014-15 State Budget increased employee contributions, which were previously set at 8.00% of pay, to 10.25% of pay for members hired on or before December 31, 2012 and 9.205% of pay for members hired on or after January 1, 2013 effective July 1, 2016. On July 1, 2018, the rate increased to 10.250% of pay for employees hired on or after January 1, 2013. Employer contribution rates were also increased in fiscal year 2014-15 to 8.88% of payroll, with such rate increasing by 1.85% each year thereafter, plateauing at 19.10% of payroll in July 2020. However, due to supplemental payments of approximately \$850 million pursuant to the 2019-20 State Budget, employer contribution rates decreased from 18.13% to 17.10% in fiscal year 2019-20 and 19.10% to 18.40% in fiscal year 2020-21. In addition, pursuant to the 2020-21 State Budget, employer contribution rates are expected to decrease from 18.40% to 16.15% in fiscal year 2020-21 and from 17.10% to 16.02% in fiscal year 2021-22 (see table below). The State’s total contribution was increased from approximately 3% in fiscal year 2013-14 to 6.828% of payroll in fiscal year 2017-18, and to 10.828% of payroll in fiscal year 2020-21. The State’s contribution includes an annual payment of 2.5% of payroll pursuant to a supplemental inflation protection program.

Pursuant to the 2014-15 State Budget, employer contribution rates, including school districts’ contribution rates, will increase in accordance with the following schedule:

Effective Date (July 1)	School District Contribution Rate
2014	8.88%
2015	10.73
2016	12.58
2017	14.43
2018	16.28
2019	17.10*
2020	16.15†
2021	16.02†

\* Pursuant to the fiscal year 2019-20 State budget.

† Pursuant to the 2020-21 State Budget. See “— State Funding of Education; State Budget Process –2020-21 State Budget.”

Source: Assembly Bill 1469.

The following table sets forth the District's employer contributions to CalSTRS as well as the State's non-employer contributions to CalSTRS on behalf of the District for fiscal years 2016-17 through 2018-19, the contribution for fiscal year 2019-20 (unaudited), and the budgeted contribution for fiscal year 2020-21.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT**  
**(Contra Costa County, California)**  
**Contributions to CalSTRS for Fiscal Years 2016-17 through 2020-21**

Fiscal Year	District Contribution	State's STRS On-Behalf Amounts
2016-17	18,411,717	11,167,915
2017-18	20,743,685	12,870,316
2018-19	24,018,944	13,418,828
2019-20 <sup>(1)</sup>	[ ]	[ ]
2020-21 <sup>(2)</sup>	[ ]	[ ]

<sup>(1)</sup> Unaudited actuals for fiscal year 2019-20.

<sup>(2)</sup> Original adopted budget for fiscal year 2020-21.

Source: San Ramon Valley Unified School District

The District's total employer contributions to CalSTRS for fiscal years 2016-17 through 2019-20 were equal to 100% of the required contributions for each year. Pursuant to the 2014-15 State Budget, beginning in fiscal year 2021-22, the State Teachers Retirement Board is required to increase or decrease employer contribution rates to the rates designed to eliminate the CalSTRS unfunded liability by June 30, 2046. A decrease in investment earnings may result in increased employer contribution rates in order to timely eliminate the CalSTRS unfunded liability. As the world is currently experiencing a pandemic, the District cannot predict the impact of the outbreak of COVID-19 on investment earnings and employer contribution rates. See "DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – Infectious Disease Outbreak." However, under existing law, the State Teachers Retirement Board may not increase the employer contribution rate by more than 1% in any fiscal year up to a maximum contribution rate of 20.25%. The State Teachers Retirement Board may also adjust the State's contribution rate by a maximum of 0.5% from year to year, based on the funding status of the CalSTRS actuarially determined unfunded liability.

As of June 30, 2019, the actuarial valuation (the "2019 CalSTRS Actuarial Valuation") for the entire CalSTRS defined benefit program showed an estimated unfunded actuarial liability of \$105.7 billion, a decrease of approximately \$1.5 billion from the June 30, 2018 valuation. The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2019 and June 30, 2018, based on the actuarial assumptions, were approximately 66.0% and 64.0%, respectively. According to the 2019 CalSTRS Actuarial Valuation, the funded ratio increased by 2.0% during the past year and has decreased by approximately 12% over the past 10 years. As described in the 2019 CalSTRS Actuarial Valuation, the additional State contribution and the return on the actuarial value of assets (7.7%) that exceeded the assumed return (7%) were the primary causes of the increase in the funded ratio from the prior year valuation. Future estimates of the actuarial unfunded liability may change due to market performance, legislative actions and other experience that may differ from the actuarial assumptions used for the CalSTRS valuation. The following are certain of the actuarial assumptions set forth in the 2019 CalSTRS Actuarial Valuation: measurement of accruing costs by the "Entry Age Normal Actuarial Cost Method," an assumed 7.00% investment rate of return for measurements subsequent to June 30, 2016, 3.00% interest on member accounts, 3.50% projected wage growth, and 2.75% projected inflation and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases. The 2019 CalSTRS Actuarial Valuation also assumes that all

members hired on or after January 1, 2013 are subject to the provisions of PEPRA (as defined herein). See “–Governor’s Pension Reform” below for a discussion of the pension reform measure signed by the Governor in August 2012 expected to help reduce future pension obligations of public employers with respect to employees hired on or after January 1, 2013.

CalSTRS produces a comprehensive annual financial report and actuarial valuations which include financial statements and required supplementary information. Copies of the CalSTRS comprehensive annual financial report and actuarial valuations may be obtained from CalSTRS. The information presented in these reports is not incorporated by reference in this Official Statement.

**CalPERS.** All qualifying classified employees of K-12 school districts in the State are members in CalPERS. All school districts contributing to CalPERS participate in the same plan and share the same contribution rate in each year. However, unlike contributions to CalSTRS, which incrementally increase at statutorily set rates, school districts’ contributions to CalPERS fluctuate each year and include a normal cost component and a component equal to an amortized amount of the unfunded liability of CalPERS. Accordingly, the District cannot provide any assurances that the District’s required contributions to CalPERS in future years will not significantly vary from any current projected levels of contributions to CalPERS.

CalPERS is funded by employee contributions and investment earnings, with the balance of the funding provided by employer contributions. School districts’ contributions decrease when investment earnings rise and increase when investment earnings decline. As a result, declines in investment earnings may result in substantial increases in school district contributions. The District cannot make any predictions as to the effect of a global pandemic, including the outbreak of COVID-19, on investment earnings and school district contributions. See “DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – *Infectious Disease Outbreak*” for more information about the impact of COVID-19. Participating employees enrolled in CalPERS prior to January 1, 2013 contribute 7.00% of their respective salaries, while participating employees enrolled after January 1, 2013 contribute the higher of fifty percent of normal costs of benefits or an actuarially determined rate of 7.00% in fiscal year 2019-20. School districts are required to contribute to CalPERS at an actuarially determined rate, which was 18.062% of eligible salary expenditures for fiscal year 2018-19 and originally 20.733% and 22.68% for fiscal years 2019-20 and 2020-21, respectively. However, the employer contribution rate for fiscal year 2019-20 was reduced to 19.721% as a result of the State’s buydown of employer contribution rates in fiscal year 2019-20. Similarly, the 2020-21 State Budget allocates funding to buy down employer contribution rates in fiscal years 2020-21 and 2021-22 to an estimated 20.70% and 22.84%, respectively. See “DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – *2020-21 State Budget*.”

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2018 (the “2018 CalPERS Schools Pool Actuarial Valuation”) reported an actuarial accrued liability of \$92.07 billion with the market value of assets at \$64.85 billion, and a funded status of 70.4%. The actuarial funding method used in the 2018 CalPERS Schools Pool Actuarial Valuation is the “Entry Age Normal Cost Method.” The 2018 CalPERS Schools Pool Actuarial Valuation assumes, among other things, 2.625% inflation and payroll growth of 2.875% compounded annually. The 2018 CalPERS Schools Pool Actuarial Valuation reflects a discount rate of 7.25% compounded annually (net of administrative expenses) as of June 30, 2018 and 7.00% compounded annually (net of administrative expenses) as of June 30, 2019. The CalPERS Board adopted new demographic assumptions on December 19, 2017, including a reduction in the inflation assumption from 2.625% as of June 30, 2018 to 2.50% as of June 30, 2019. The reduction in the inflation assumption results in decreases in both the normal cost and the accrued liabilities in the future.

The following table sets forth the District's total employer contributions to CalPERS for fiscal years 2016-17 through 2018-19, the contribution for fiscal year 2019-20 (unaudited), and the budgeted contribution for fiscal year 2020-21.

**SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT  
(Contra Costa County, California)  
Contributions to CalPERS for Fiscal Years 2016-17 through 2020-21**

Fiscal Year	Contribution
2016-17	6,357,652
2017-18	7,027,416
2018-19	8,873,280
2019-20 <sup>(1)</sup>	[            ]
2020-21 <sup>(2)</sup>	10,032,053

<sup>(1)</sup> Unaudited actuals for fiscal year 2019-20.

<sup>(2)</sup> Original adopted budget for fiscal year 2020-21.

Source: San Ramon Valley Unified School District.

The District's total employer contributions to CalPERS for fiscal years 2016-17 through 2018-19 were equal to 100% of the required contributions for each year.

CalPERS produces a comprehensive annual financial report and actuarial valuations that include financial statements and required supplementary information. Copies of the CalPERS comprehensive annual financial report and actuarial valuations may be obtained from CalPERS Financial Services Division. The information presented in these reports is not incorporated by reference in this Official Statement.

***Governor's Pension Reform.*** On August 28, 2012, Governor Brown and the State Legislature reached agreement on a law that reforms pensions for State and local government employees. AB 340, which was signed into law on September 12, 2012, established the California Public Employees' Pension Reform Act of 2012 ("PEPRA") which governs pensions for public employers and public pension plans on and after January 1, 2013. For new employees, PEPRA, among other things, caps pensionable salaries at the Social Security contribution and wage base, which is \$137,300 for 2020, or 120% of that amount for employees not covered by Social Security, increases the retirement age by two years or more for all new public employees while adjusting the retirement formulas, requires State employees to pay at least half of their pension costs, and also requires the calculation of benefits on regular, recurring pay to stop income spiking. For all employees, changes required by PEPRA include the prohibition of retroactive pension increases, pension holidays and purchases of service credit. PEPRA applies to all State and local public retirement systems, including county and district retirement systems. PEPRA only exempts the University of California system and charter cities and counties whose pension plans are not governed by State law.

CalSTRS and CalPERS are more fully described in Note 12 to the District's financial statements in APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2019."

### **Insurance, Risk Pooling and Joint Powers Agreements and Joint Ventures**

The District participates in three joint ventures under joint powers agreements ("JPAs"): Contra Costa County School Insurance Group, Northern California Regional Excess Liability Fund and the School



Excess Liability Fund public entity risk pools. The District pays an annual premium to the applicable entity for its workers' compensation and property liability coverage. The relationship between the District and the JPAs are such that the JPAs are not a component unit of the District for financial reporting purposes.

The JPAs arrange for and provide coverage for their members. Each JPA is governed by a board consisting of a representative from each member district. Each board controls the operations of their JPA, including selection of management and approval of operating budgets independent of any influence by the member districts beyond their representation on the Board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to their participation in each JPA.

See Note 14 to the District's audited financial statements in APPENDIX B— "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2019" for more information.

## **CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS**

### **Limitations on Revenues**

On June 6, 1978, California voters approved Proposition 13 ("Proposition 13"), which added Article XIII A to the State Constitution ("Article XIII A"). Article XIII A limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

***County of Orange v. Orange County Assessment Appeals Board No. 3.*** Section 51 of the Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently "recapture" such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor's measure of the restoration of value of the damaged property. The constitutionality of this procedure was challenged in a lawsuit brought in 2001 in the Orange County Superior Court, and in similar lawsuits brought in other counties, on the basis that the decrease in assessed value creates a new "base year value" for purposes of Proposition 13 and that subsequent increases in the assessed value of a property by more than 2% in a single year violate Article XIII A. On appeal, the California Court of Appeal upheld the recapture practice in 2004, and the State Supreme Court declined to review the ruling, leaving the recapture law in place.

**Legislation Implementing Article XIII A.** Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

The tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

### **Article XIII B of the California Constitution**

An initiative to amend the State Constitution entitled “Limitation of Government Appropriations” was approved on September 6, 1979, thereby adding Article XIII B to the State Constitution (“Article XIII B”). Under Article XIII B state and local governmental entities have an annual “appropriations limit” and are not permitted to spend certain moneys which are called “appropriations subject to limitation” (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of moneys which are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the “appropriations limit” is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIII B, if these entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. Any proceeds of taxes received by the District in excess of the allowable limit are absorbed into the State’s allowable limit.

### **Article XIII C and Article XIII D of the California Constitution**

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the California Constitution Articles XIII C and XIII D (“Article XIII C” and “Article XIII D,” respectively), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the California Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIII D deals with assessments and property-related

fees and charges, and explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIII A of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

### **Statutory Limitations**

On November 4, 1986, State voters approved Proposition 62, an initiative statute limiting the imposition of new or higher taxes by local agencies. The statute (a) requires new or higher general taxes to be approved by two-thirds of the local agency's governing body and a majority of its voters; (b) requires the inclusion of specific information in all local ordinances or resolutions proposing new or higher general or special taxes; (c) penalizes local agencies that fail to comply with the foregoing; and (d) required local agencies to stop collecting any new or higher general tax adopted after July 31, 1985, unless a majority of the voters approved the tax by November 1, 1988.

Appellate court decisions following the approval of Proposition 62 determined that certain provisions of Proposition 62 were unconstitutional. However, the California Supreme Court upheld Proposition 62 in its decision on September 28, 1995 in *Santa Clara County Transportation Authority v. Guardino*. This decision reaffirmed the constitutionality of Proposition 62. Certain matters regarding Proposition 62 were not addressed in the Supreme Court's decision, such as whether the decision applies retroactively, what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities.

### **Proposition 98 and Proposition 111**

On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). The Accountability Act changed State funding of public education below the university level, and the operation of the State's Appropriations Limit. The Accountability Act guarantees State funding for K-12 districts and community college districts (collectively, "K-14 districts") at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, which percentage is equal to 40.9%, or (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

Since the Accountability Act is unclear in some details, there can be no assurance that the Legislature or a court might not interpret the Accountability Act to require a different percentage of general fund revenues to be allocated to K-14 districts than the 40.9%, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget. In any event, the Governor and other fiscal observers expect the Accountability Act to place increasing pressure on the State's budget over future years, potentially reducing resources available for other State programs, especially to the extent the Article XIII B spending limit would restrain the State's ability to fund such other programs by raising taxes.

The Accountability Act also changes how tax revenues in excess of the State Appropriations Limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 districts. Such transfer would be excluded from the Appropriations Limit for K-14 districts and the K-14 districts Appropriations Limits for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which could be transferred to schools is 4% of the minimum State spending for education mandated by the Accountability Act, as described above.

On June 5, 1990, California voters approved Proposition 111 (Senate Constitutional Amendment 1), which further modified the Constitution to alter the spending limit and education funding provisions of Proposition 98. Most significantly, Proposition 111 (1) liberalized the annual adjustments to the spending limit by measuring the “change in the cost of living” by the change in State per capita personal income rather than the Consumer Price Index, and specified that a portion of the State’s spending limit would be adjusted to reflect changes in school attendance; (2) provided that 50% of the “excess” tax revenues, determined based on a two-year cycle, would be transferred to K-14 districts with the balance returned to taxpayers (rather than the previous 100% but only up to a cap of 4% of the districts’ minimum funding level), and that any such transfer to K-14 districts would not be built into the school districts’ base expenditures for calculating their entitlement for State aid in the following year and would not increase the State’s appropriations limit; (3) excluded from the calculation of appropriations that are subject to the limit appropriations for certain “qualified capital outlay projects” and certain increases in gasoline taxes, sales and use taxes, and receipts from vehicle weight fees; (4) provided that the Appropriations Limit for each unit of government, including the State, would be recalculated beginning in the 1990-91 fiscal year, based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Senate Constitutional Amendment 1 had been in effect; and (5) adjusted the Proposition 98 formula that guarantees K-14 districts a certain amount of general fund revenues, as described below.

Under prior law, K-14 districts were guaranteed the greater of (a) 40.9% of general fund revenues (the “first test”) or (b) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (the “second test”). Under Proposition 111, school districts would receive the greater of (a) the first test, (b) the second test or (c) a third test, which would replace the second test in any year when growth in per capita general fund revenues from the prior year was less than the annual growth in State per capita personal income. Under the third test, school districts would receive the amount appropriated in the prior year adjusted for change in enrollment and per capita general fund revenues, plus an additional small adjustment factor. If the third test were used in any year, the difference between the third test and the second test would become a “credit” to be paid in future years when general fund revenue growth exceeds personal income growth.

#### **Assembly Bill No. 26 & *California Redevelopment Association v. Matosantos***

On February 1, 2012, pursuant to the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos*, Assembly Bill No. 26 (First Extraordinary Session) (“AB1X 26”) dissolved all redevelopment agencies in existence and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. With limited exceptions, all assets, properties, contracts, leases, records, buildings and equipment, including cash and cash equivalents of a former redevelopment agency were transferred to the control of its successor agency and, unless otherwise required pursuant to the terms of an enforceable obligation, distributed to various related taxing agencies pursuant to AB1X 26.

It is possible that there will be additional legislation proposed and/or enacted to clarify various inconsistencies contained in AB1X 26 and there may be additional legislation proposed and/or enacted in the future affecting the current scheme of dissolution and winding up of redevelopment agencies currently contemplated by AB1X 26. For example, AB 1484 was signed by the Governor on June 27, 2012, to clarify and amend certain aspects of AB1X 26. AB 1484, among other things, attempts to clarify the role and requirements of successor agencies, provides successor agencies with more control over agency bond proceeds and properties previously owned by redevelopment agencies and adds other new and modified requirements and deadlines. AB 1484 also provides for a “tax claw back” provision, wherein the State is authorized to withhold sales and use tax revenue allocations to local successor agencies to offset payment of property taxes owed and not paid by such local successor agencies to other local taxing agencies. This “tax claw back” provision has been challenged in court by certain cities and successor agencies. The District cannot predict the outcome of such litigation and what effect, if any, it will have on the District. Additionally, no assurances can be given as to the effect of any such future proposed and/or enacted legislation on the District.

### **Proposition 30 and Proposition 55**

On November 6, 2012, voters approved Proposition 30, also referred to as the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment. Proposition 30 temporarily (a) increased the personal income tax on certain of the State’s income taxpayers by one to three percent for a period of seven years beginning with the 2012 tax year and ending with the 2019 tax year, and (b) increased the sales and use tax by one-quarter percent for a period of four years beginning on January 1, 2013 and ending with the 2016 tax year. The revenues generated from such tax increases are included in the calculation of the Proposition 98 minimum funding guarantee (see “– Proposition 98 and Proposition 111” above). The revenues generated from such temporary tax increases are deposited into a State account created pursuant to Proposition 30 (the Education Protection Account), and 89% of the amounts therein are allocated to school districts and 11% of the amounts therein are allocated to community college districts.

The Proposition 30 sales and use tax increases expired at the end of the 2016 tax year. Under Proposition 30, the personal income tax increases were set to expire at the end of the 2018 tax year. However, the California Tax Extension to Fund Education and Healthcare Initiative (“Proposition 55”), approved by the voters on November 8, 2016, extends by 12 years the temporary personal income tax increases on incomes over \$250,000 that was first enacted by Proposition 30; Proposition 55 did not extend the sales and use tax increases imposed by Proposition 30. Revenues from the income tax increase under Proposition 55 will be allocated to school districts and community colleges in the State.

### **Applications of Constitutional and Statutory Provisions**

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding see “DISTRICT FINANCIAL MATTERS — State Funding of Education; State Budget Process.”

### **Proposition 2**

**General.** Proposition 2, which included certain constitutional amendments to the Rainy Day Fund and, upon its approval, triggered the implementation of certain provisions which could limit the amount of reserves that may be maintained by a school district, was approved by the voters in the November 2014 election.

**Rainy Day Fund.** The Proposition 2 constitutional amendments related to the Rainy Day Fund (i) require deposits into the Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year's deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year's deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (the "Public School System Stabilization Account") to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Public School System Stabilization Account unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created.

**SB 858.** Senate Bill 858 ("SB 858") became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the Public School System Stabilization Account, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an A.D.A. of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an A.D.A. that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

**SB 751.** Senate Bill 751 ("SB 751"), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Public School System Stabilization Account is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of average daily attendance.

The District, which has an A.D.A. of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses.

The Refunding Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law. Accordingly, the District does not expect SB 858 or SB 751 to adversely affect its ability to pay the principal of and interest on the Refunding Bonds as and when due.

## **Future Initiatives**

Article XIII A, Article XIII B, Article XIII C, Article XIII D, as well as Propositions 2, 30, 55, 62, 98, 111 and 218, were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting District revenues or the District's ability to expend revenue.

**APPENDIX B**

**FINANCIAL STATEMENTS OF THE DISTRICT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

DRAFT

## APPENDIX C

### ECONOMY OF THE DISTRICT[To be Updated.]

*The San Ramon Valley Unified School District (the “District”) encompasses all of the city of San Ramon (“San Ramon”) and the town of Danville (“Danville”), a small portion of the city of Walnut Creek, and adjacent unincorporated areas of Contra Costa County (the “County”). The following economic data for San Ramon, Danville, and the County are presented for information purposes only. The Refunding Bonds are not a debt or obligation of San Ramon, Danville, or the County, and taxes to pay the Refunding Bonds are levied only on taxable property located within the District.*

#### General

San Ramon and Danville comprise most of the territory of the District. The District also includes the unincorporated community of Alamo, situated north of Danville. The District is located in close proximity to employment centers in the San Francisco Bay Area, and is about 30 miles east of San Francisco. Several large employers are located in San Ramon, including corporate offices of Chevron USA and AT&T.

The District is renowned for its desirable residential neighborhoods, many of them situated in the San Ramon Valley and on the flanks of Mt. Diablo, one of the highest peaks in the greater San Francisco Bay Area.

U.S. Interstate Highway 680 traverses the District, and U.S. Interstate Highway 580 and State Route 24 are nearby. Commuter rail transportation is provided by the Bay Area Rapid Transit District (“BART”), with stations located nearby in Walnut Creek and Pleasanton.

#### Population

The population of San Ramon as of January 1, 2020 was 83,118 persons, representing 7.2% of the population of the County. The population of Danville as of January 1, 2020 was 43,876 persons, representing 3.8% of the population of the County. The population of San Ramon, Danville, and the County from 2012 to 2020 is shown in the following table.

**POPULATION**  
**City of San Ramon, Town of Danville and County of Contra Costa**  
**2012 to 2020**

Year <sup>(1)</sup>	City of San Ramon		Town of Danville		County of Contra Costa	
	Population	Annual % Change	Population	Annual % Change	Population	Annual % Change
2012	74,558	2.1%	42,076	0.5%	1,070,440	1.0%
2013	76,459	2.5	42,387	0.7	1,083,937	1.3
2014	77,459	1.3	42,753	0.9	1,098,018	1.3
2015	78,561	2.4	43,161	1.0	1,112,328	1.3
2016	79,567	1.3	43,458	0.7	1,127,279	1.3
2017	81,354	2.2	44,048	1.4	1,139,313	1.1
2018	83,179	2.2	45,103	2.3	1,147,879	0.7
2019	82,100	-1.3	43,923	-2.6	1,150,621	0.2
2020	83,118	1.2	43,876	-0.1	1,153,561	0.3

<sup>(1)</sup> As of January 1 State estimate.

Source: California State Department of Finance, Demographic Research Unit.



## Employment

The following table summarizes annual average industry employment in the County from 2014 to 2018. Education and health services, trade, transportation and utilities and professional and business services are the largest employment sectors in the County.

### ANNUAL AVERAGE INDUSTRY EMPLOYMENT County of Contra Costa 2014 to 2018

	2014	2015	2016	2017	2018
Farm	800	700	800	800	700
Mining, Logging and Construction	21,800	22,800	25,400	25,500	26,200
Manufacturing	15,300	15,000	14,900	15,600	15,600
Trade, Transportation and Utilities	60,400	62,500	64,900	65,200	64,200
Information	8,300	8,300	8,100	8,000	7,800
Financial Activities	25,000	26,300	27,000	27,400	26,900
Professional and Business Services	53,200	50,900	52,100	54,300	55,200
Education and Health Services	61,500	64,100	67,300	69,300	70,600
Leisure and Hospitality	36,300	38,300	40,500	40,700	41,500
Other Services	12,500	12,700	13,000	13,000	13,400
Government	49,200	49,300	50,400	50,500	50,900
Total All Industries	344,200	350,800	364,200	370,300	373,000

Note: Data may not add up due to rounding. March 2019 Benchmark.  
Source: California Employment Development Department.

The following table summarizes civilian labor force, employment, and unemployment in the County from 2014 to 2019. The annual average unemployment rate in the County in 2019 was 3.1% compared with 4.0% for the State.

### CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT County of Contra Costa Annual Averages, 2014 to 2019<sup>(1)</sup>

Year	Labor Force	Employment	Unemployment	Unemployment Rate
2014	539,600	506,300	33,300	6.2%
2015	545,100	517,700	27,400	5.0
2016	553,600	528,900	24,800	4.5
2017	559,200	537,800	21,400	3.8
2018	560,908	542,825	18,100	3.2
2019	561,742	544,500	17,250	3.1

<sup>(1)</sup> The unemployment rate is computed from unrounded data and may differ from rates computed from rounded figures.  
Source: California Employment Development Department.

## Major Employers

The following tables show the largest employers located in San Ramon and Danville in 2019.

### LARGEST EMPLOYERS

#### City of San Ramon

2019

Employer	Product/Service	Number of Employees
Chevron USA Inc.	Energy	3,640
Bank Of the West	Retail Banking	1,600
Robert Half International Inc.	Consulting & Staffing	1,474
GE Digital LLC	Technology	1,149
Accenture LLP	Consulting & Staffing	750
San Ramon Regional Medical Center	Health Care	727
PG&E	Utility	577
Old Republic Home Protection	Insurance	477
Primed Management Consulting	Consulting & Staffing	453
AT&T	Communications	432

Source: City of San Ramon, 2019 Comprehensive Annual Financial Report.

### LARGEST EMPLOYERS

#### Town of Danville

2019

Employer	Product/Service	Number of Employees
Keller Williams Realty	Real Estate	345
Costco	Retail Warehouse Club	195
PG&E	Utility	145
Safeway, Inc.	Grocery Stores	101
Crow Canyon Management	Country Club	95
J. Rockcliff Realtors	Real Estate	89
Trader Joe's	Grocery Stores	77
Sunrise Assisted Living of Danville	Assisted Living Community	72
Danville Nursing & Rehabilitation Center	Assisted Living Community	66
Lunardi's Market	Grocery Stores	63

Source: Town of Danville, 2019 Comprehensive Annual Financial Report.

## Income

The following table shows of per capita personal income for the County, State of California and the United States from 2012 through 2018.

**PER CAPITA PERSONAL INCOME<sup>(1)</sup>**  
**County of Contra Costa, State of California, and United States**  
**2012-2018**

Year	County of Contra Costa	California	United States
2012	61,530	48,369	44,282
2013	60,883	48,570	44,493
2014	62,957	51,344	46,494
2015	68,123	54,718	48,451
2016	72,483	57,739	49,870
2017	76,886	60,156	51,885
2018	82,506	63,557	54,446

<sup>(1)</sup> Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census.  
All dollar estimates are in current dollars (not adjusted for inflation).  
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

## Taxable Sales

Taxable sales in San Ramon and Danville for the period 2015 to 2019 are shown in the following tables.

**TAXABLE SALES, 2015 to 2019**  
**City of San Ramon**  
**(dollars in thousands)**

Year	Retail and Food Service Permits	Retail and Food Service Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2015	869	\$558,657	1,574	\$834,099
2016	883	563,248	1,615	821,447
2017	906	562,228	1641	795,295
2018	929	597,463	1778	851,101
2019	970	628,741	1,881	929,354

Source: California Department of Tax and Fee Administration.

**TAXABLE SALES, 2015 to 2019**  
**Town of Danville**  
**(dollars in thousands)**

Year	Retail and Food Service Permits	Retail and Food Service Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2015	858	\$426,552	1,355	\$467,999
2016	863	423,273	1,377	467,820
2017	859	444,715	1,381	497,469
2018	824	435,353	1,384	493,766
2019	790	434,110	1,346	496,298

Source: California Department of Tax and Fee Administration.

**Construction Activity**

The level of construction activity, as measured by total building valuations and residential units, in San Ramon, Danville, and the County for the period 2011 to 2017 is shown in the following tables.

**BUILDING PERMITS AND VALUATIONS**  
**City of San Ramon**  
**2011 to 2017**

[To be updated with 2018-19 CIRB report.]

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Valuation (\$000):							
Residential	\$13,390	\$11,126	\$15,269	\$28,275	\$24,652	\$20,469	\$16,745
Non-residential	<u>28,387</u>	<u>46,572</u>	<u>86,490</u>	<u>48,477</u>	<u>78,669</u>	<u>80,615</u>	<u>136,249</u>
Total	\$41,777	\$57,698	\$101,759	\$76,752	\$103,321	\$101,084	\$152,994
Residential Units:							
Single family	-	2	-	12	1	-	-
Multiple family	<u>-</u>	<u>-</u>	<u>28</u>	<u>156</u>	<u>64</u>	<u>28</u>	<u>-</u>
Total	-	2	28	168	65	28	-

Source: California Homebuilding Foundation.

**BUILDING PERMITS AND VALUATIONS**  
**Town of Danville**  
**2011 to 2017**

[To be updated with 2018-19 CIRB report.]

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Valuation (\$000):							
Residential	\$35,353	\$19,685	\$22,670	\$23,677	\$75,196	\$45,243	\$58,552
Non-residential	<u>12,272</u>	<u>5,612</u>	<u>7,881</u>	<u>8,329</u>	<u>15,113</u>	<u>21,315</u>	<u>13,938</u>
Total	\$47,625	\$25,297	\$30,551	\$32,006	\$90,309	\$66,558	\$72,490
Residential Units:							
Single family	13	43	48	32	56	39	25
Multiple family	<u>4</u>	<u>-</u>	<u>13</u>	<u>16</u>	<u>4</u>	<u>-</u>	<u>-</u>
Total	17	43	61	48	60	39	25

Source: California Homebuilding Foundation.

**BUILDING PERMITS AND VALUATIONS**  
**County of Contra Costa**  
**2011 to 2017**

[To be updated with 2018-19 CIRB report.]

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Valuation (\$000):							
Residential	\$457,478	\$574,612	\$727,964	\$736,268	\$1,053,949	\$1,073,171	\$951,436
Non-residential	<u>289,321</u>	<u>214,602</u>	<u>334,558</u>	<u>390,987</u>	<u>526,816</u>	<u>668,424</u>	<u>607,769</u>
Total	\$746,799	\$789,214	\$1,062,522	\$1,127,255	\$1,580,765	\$1,741,595	\$1,559,205
Residential Units:							
Single family	718	1,188	1,585	1,438	1,909	1,853	1,732
Multiple family	<u>355</u>	<u>534</u>	<u>370</u>	<u>546</u>	<u>629</u>	<u>1,043</u>	<u>272</u>
Total	1,073	1,722	1,955	1,984	2,538	2,896	2,004

Source: California Homebuilding Foundation.

## **APPENDIX D**

### **PROPOSED FORM OF OPINION OF BOND COUNSEL**

*Upon the delivery of Refunding Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, proposes to render its final approving opinion with respect to the Refunding Bonds in substantially the following form:*

DRAFT

**APPENDIX E**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

DRAFT

## **APPENDIX F**

### **COUNTY OF CONTRA COSTA INVESTMENT POLICY AND SUMMARY OF POOLED INVESTMENT FUND**

*In accordance with Education Code Section 41001, substantially all District operating funds are required to be held by the Treasurer-Tax Collector of the County (the "County Treasurer"). The following information has been provided by the County Treasurer. The District has not independently verified this information and takes no responsibility for the accuracy or completeness thereof. Further information may be obtained from the County Treasurer.*



## APPENDIX G

### BOOK-ENTRY ONLY SYSTEM

*The information in this appendix has been provided by DTC for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Refunding Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Refunding Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement.*

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Refunding Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of

Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the

event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.