

Santa Maria-Bonita School District



District Wide Facility Master Plan Update

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INTRODUCTION

The Santa Maria-Bonita School District (District) is located along California's Central Coast, approximately halfway between San Francisco and Los Angeles. The District operates primarily in Santa Barbara County, but also serves San Luis Obispo County. The District was formed on July 1, 1988 from the merger of the Santa Maria Elementary School District and the Bonita School District. The District provides public education within an approximately 48.2 square mile area, serving the City of Santa Maria and neighboring communities. The District operates 20 schools, including 16 elementary schools and 4 junior high schools. The District's enrollment was 16,875 for the 2016-17 school year and is projected to experience moderate growth over the next 5 years. The District operates under the jurisdiction of the Santa Barbara County Superintendent of Schools.

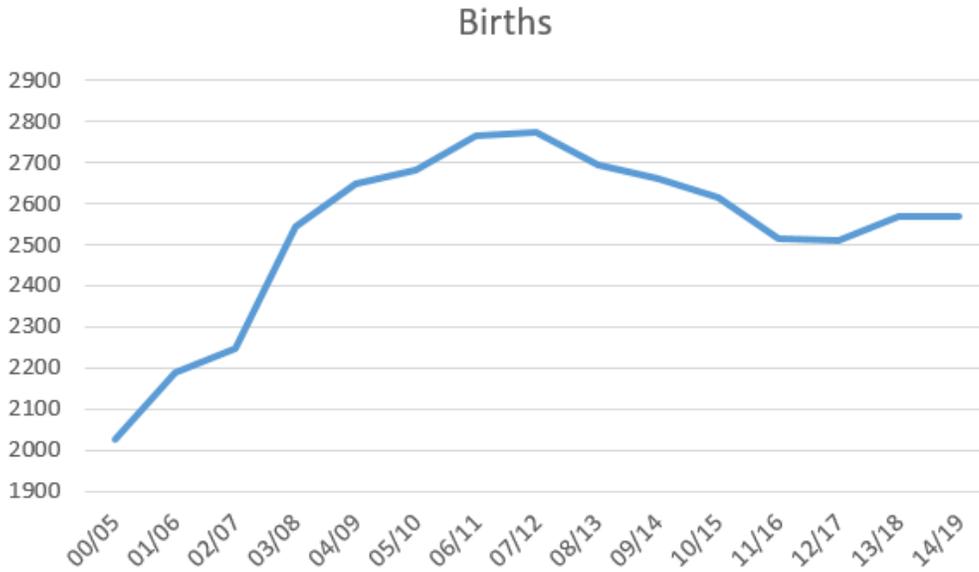
In 2008, the District completed a comprehensive facility master plan with the assistance of PMSM Architects. That document serves as a primary guide in the planning and implementation of facilities related projects on all of the District's properties. In the time that has passed since this original planning process, changes inside and outside of the District have required adjustments to this plan to meet the demands of providing facilities for student learning in a growing District. This document serves to acknowledge some of the accomplishments that have been made along the way. It will also summarize additional planning processes that were necessary to develop the District's bond program and also to adjust the educational specifications to the dynamic needs of classroom learning. Finally, there will be a discussion of the plan forward as it relates to the needs of the District's facilities and potential financing sources to pursue as the District proceeds through the plan.

ACCOMPLISHMENTS

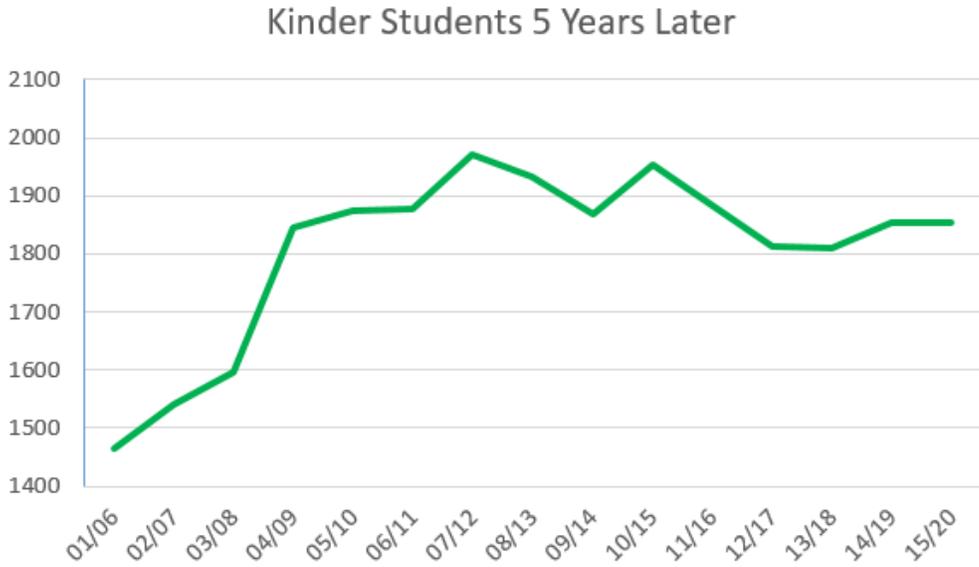
The facilities program for the District has been focused on adding capacity to address a growing student population, maintaining existing facilities to high standards and closing out projects that were left unfinished or unresolved during the new construction projects taken on between 2001 and 2005. The focus of this section will be to highlight the accomplishments in these areas since the original master plan was created in 2008.

Creating Housing for a Growing Student Population

The District has experienced significant increases in student enrollment growing from 13,142 students in 2007-08 to 16,875 students in 2016-17. The enrollment growth finds its origin in a sustained increase in the annual births locally that generate kindergartners 5 years later.



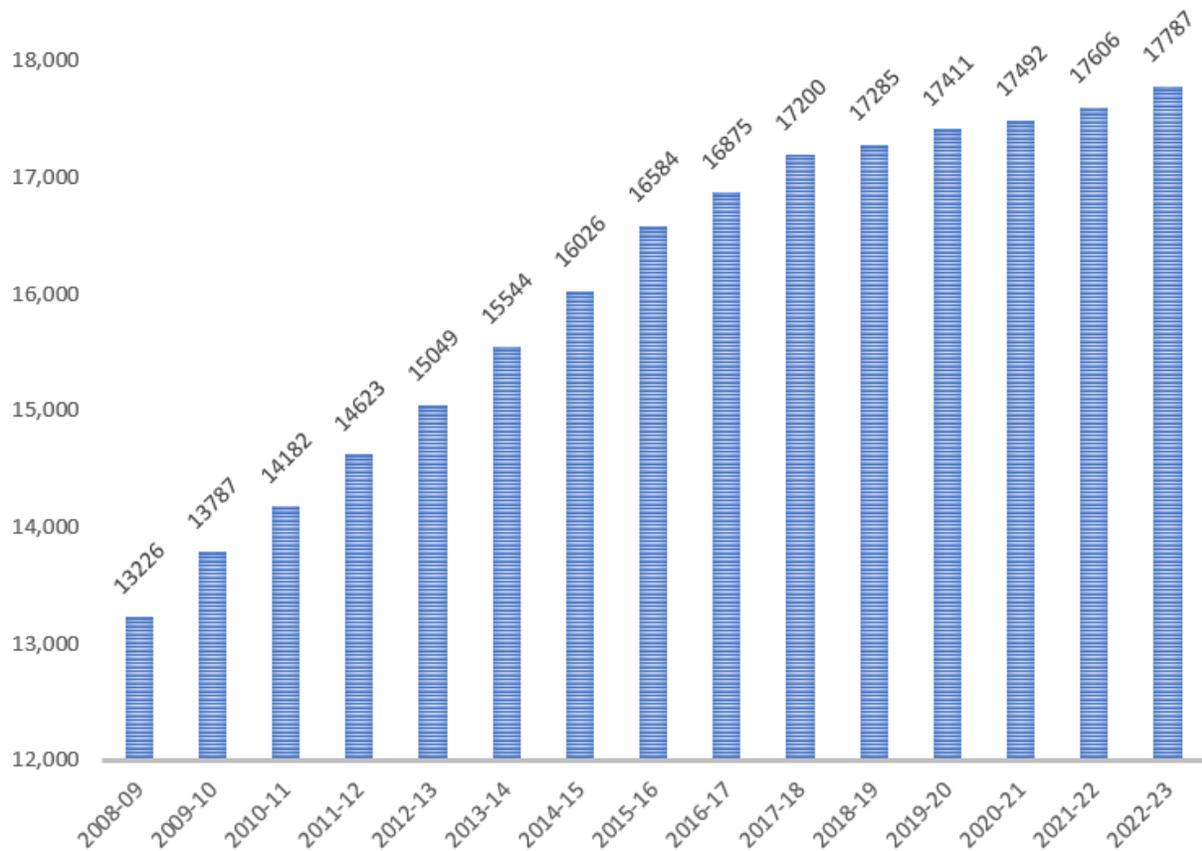
This chart depicts the number of births that occurred each year. On the horizontal axis the first two numbers reflect the birth year, the second two numbers are the projected year of kindergarten. The key element of this chart is the significant increase in annual births from 2,000 in the year 2000 which levels off at around 2,550 in 2010.



This chart depicts the implications of these increasing births on kindergarten registrations 5 years later. On the far left of the chart, of the births from 2001, the District had just under 1,500 students register for kindergarten in 2006. It can be seen that there is a very close relationship between the births on the first chart and subsequent kindergarten registrations down the line. These two charts explain the significant growth in enrollment the

District has been experiencing for the past 9 years as the sustained elevated birth rate has progressed through the grade levels served in the District and is depicted in the next chart.

ENROLLMENT BY SCHOOL YEAR



This chart reflects the annual student enrollment for the District with projected amounts for 2017-18 through 2022-23. This reflects a steep increase of almost 4,000 students between 2008-09 and 2017-18 as the sustained increase in birthrates depicted in the two prior charts register in Kindergarten and then progress through each grade level through 2017-18 and beyond.

As part of the response to this growing population, the District has expanded multiple campuses using permanent and portable buildings and has also built a new elementary school. For junior highs, the District added 12 permanent classrooms to Tommie Kunst Junior High along with 10 portable buildings, 4 at Arellanes Junior High, 2 at El Camino Junior High and 4 at Fesler Junior High, respectively. For elementary, the District added 33 classrooms when it opened Jiménez Elementary in 2015 and added 17 relocatable classrooms across 7 campuses in 2016. With 1 portable building moving from a junior high to an elementary, the District has added 71 new classrooms to its inventory since 2008-09. The significance of this investment has been the ability to not only provide classrooms for the growing student population, but to begin to reduce class sizes across the grades served in the District.

Concluding Challenges from the Past

In preparation to leave multitrack year-round education, the District entered into a multimillion dollar construction contract with a contractor to provide design, construction management and construction services involving 4 new school campuses and expanding 9 others. In the midst of the work, the contractor stopped paying subcontractors and vendors, declaring bankruptcy with many unfinished projects abandoned incomplete on District campuses. The District embarked on a process of resolution, prioritizing student and staff safety, student housing, preserving state funding and project certification through the Division of the State Architect (DSA) as the ranked, required results of this challenge.

During the safety, student housing, and preserving funding phases of the effort, the District and its consultants accumulated or created plans specs to take the modular buildings that were already assembled and in our possession and install them onto District property. This required a new team of architects, engineers, construction managers and a contractor identified through a low bid process. The work to install these buildings had to occur in order to preserve the state funding that had already been partially spent at the time of bankruptcy. The risk that failing to install the buildings might result in the District being required to return the funds was a focus that fell close behind the priority of creating the classrooms for students.

The final phase to this process has been to close out the projects with certification through the DSA. When the contractor abandoned the jobs in the District there were 11 uninstalled modular buildings standing on blocks in an open field. The buildings that were completed on District campuses, were completed with 611 deviation notices to resolve before certification could be obtained. A deviation notice is used when the DSA Inspector identifies that the method of construction in the field is different than the approved plans, or does not comply with the underlying construction codes. Working with determination, skilled professionals and DSA oversight, the entire list of unresolved deviation notices is planned for completion before the start of the 2017-18 school year. If all goes according to plan, the final construction work will be executed and inspected, and the DSA will assess final fees and certification prior to the end of the calendar year. This will close the book on a very long and challenging phase, bringing new opportunities to focus on the future of the District's facilities.

NEEDS TO BE ADDRESSED

New Construction

Schools in the District remain very crowded, even with the additional classrooms added in the past 15 years. In 2015-16, the average elementary school enrollment for the other districts in Santa Barbara County was 421 compared to the District's average elementary school enrollment of 846. For junior high, other districts in Santa Barbara County average 627 students

per school compared to the District's average junior high enrollment of 762. While the difference at the junior high level is less significant in this comparison, readers need to understand that there is significant growth described in prior sections that will progress into junior highs for the District during 2016-17 and 2017-18. These impacts will add 254 junior high students in 2016-17 and 255 junior high students in 2017-18. Overcrowding will exist on almost every campus, impacting each site's ability to provide full size classroom space for such things as computer labs, resource classrooms, intervention rooms, and auxiliary spaces for speech, counseling, psychologist services and conference space. Additionally, there is a need to increase the classroom spaces where the District serves students with special needs as this will continue to add pressures on existing facilities.

Even with the 25 portable buildings added in 2016, schools are still making difficult choices about how to provide the services needed by their students with their limited space. Tunnell Elementary has been required to combine their computer lab into their library to make room for an additional teacher to limit class size so that neither the library nor the lab are as effective as they had been when they had separate spaces. Other sites are considering similar compromises, dismantling their computer labs in order to repurpose these rooms to provide supplemental services for students that have no other place to call home. Finally, a clear demonstration of how crowded some of the District's campuses are is to understand the effort that goes into providing lunch to the hundreds of young students each day on a crowded campus. Almost half of the District's elementary schools require more than 120 minutes to serve lunch to all of their students. Many start before 11:00 am and serve until 1:00 pm. Stated another way, lunch has to be served, accounted for, eaten and disposed of at a rate of 8 students per minute. To address these expanding needs, the District will consider adding new permanent and relocatable space on existing campuses as well as investing in new school sites within the District's boundaries.

While junior high will see a bigger impact in 2017-18 compared to elementary, elementaries have experience this growth over the preceding 7 years with all the grade levels they serve. Even with the facilities that have been added at K-6, capacity is still catching up to provide housing for this growth. The next elementary school, the additional portables mentioned above, and boundary changes will serve to open space for classrooms and student services in the near future. However, even with these changes, schools in SMBSD will still remain larger than those in the surrounding areas.

Modernization

Several District sites are eligible for matching funding under the School Facility Program as it is today. The District has been focusing its resources on creating student housing. This is creating a widening gap between the time when our facilities were designed and built. Teachers work hard to keep their classrooms bright and engaging for students. The time will come when the District has caught up and contained the impacts of our current enrollment growth and be able to more fully address this area of facilities management.

NEXT STEPS

New Elementary School

The District's current school designs and educational specifications are almost 20 and 10 years old, respectively. Between the changes coming from the Common Core State Standards and new funding and focus on outcomes coming from the Local Control Accountability Plan, now is a good time to take a new look at the facilities we plan to provide to the students in the community. The District will engage a qualified designer to facilitate meetings with stakeholders to create a plan for the next new school that will provide our young pupils with a safe, comfortable and dynamic learning space while keeping an eye on providing value to the community's taxpayers as well. The specifications that come as the result of this process will guide the overall design of the next elementary school site and beyond. This site is defined in the City of Santa Maria's Specific Plan as amended and will have a little more than 10 acres available for use. There is a planned high density residential development across the street that will provide many new students to the school. Additional students will also come from boundaries that may include but not be limited to Battles, Miller, Jiménez, and Tunnell Elementary Schools. Many students may be transported to the school using District provided school busses. This may require a bus pickup and drop off area, community parking, pickup and drop off area and a staff parking lot with a focus on safety and traffic flow. The District expects to create between 24 and 30 classrooms on this location to house 700 to 800 students in grades TK through 6. The District would also anticipate using this site to improve services to students with special needs by accumulating students requiring similar services, but served on separate campuses into this location so that there is a vertical cohort of service and teamwork. It may also be practical to provide services in County run special needs classes comprised mostly of the District's residents on this campus as well.

New Junior High School

The District's current school designs and educational specifications for junior highs are also almost 20 and 10 years old, respectively. Between the changes coming from the Common Core State Standards and new funding and focus on outcomes coming from the Local Control Accountability Plan, prior to the design of a new junior high, the District will plan to take a new look at the facilities we will provide to the junior high students in the community. This process will occur subsequent to the design of the elementary school and may occur at the same time as the construction of the elementary school. A similar process involving stakeholders and design professionals will be used to update the educational specifications that lead to the ultimate design of the next junior high in the District. There is a site set aside in the City of Santa Maria specifically for a new junior high. It is centrally located and will serve the student population from this area as well as other junior high sites within the District.

Permanent Classroom Additions

The District has entered into a contract to add 6 classrooms to Liberty Elementary and 6 classrooms to Taylor Elementary. Each of the buildings will be comprised of a 6 classroom pod with 2 workrooms where each workroom is open to 3 classrooms. Once available, these rooms will be filled by both students within the current boundaries of these schools, but will likely require changes to attendance boundaries to make use of these new spaces. Additional services for students with special needs as described above from students served by either SMBSD or County Regional Programs may also be housed in these facilities.

Improvements from Measure T

Beginning in 2014, stakeholders at every school site were engaged in a process to identify the improvements that would have the most positive impact on overcrowding on their site. Principals led multiple meetings to brainstorm options. The options were then prioritized against a limited budget that was allocated based on the size of the particular school. These prioritized projects were then included along with the new school in the ballot measure language. These projects include many improvements to arrival and dismissal areas and parking, adding relocatable buildings, renovating athletic fields, improving safety systems and equipment and adding facilities to relieve overcrowding. More information is available on the District's website at http://www.smbds.org/district/bond_measure_t_oversightf.

FINANCING PLAN

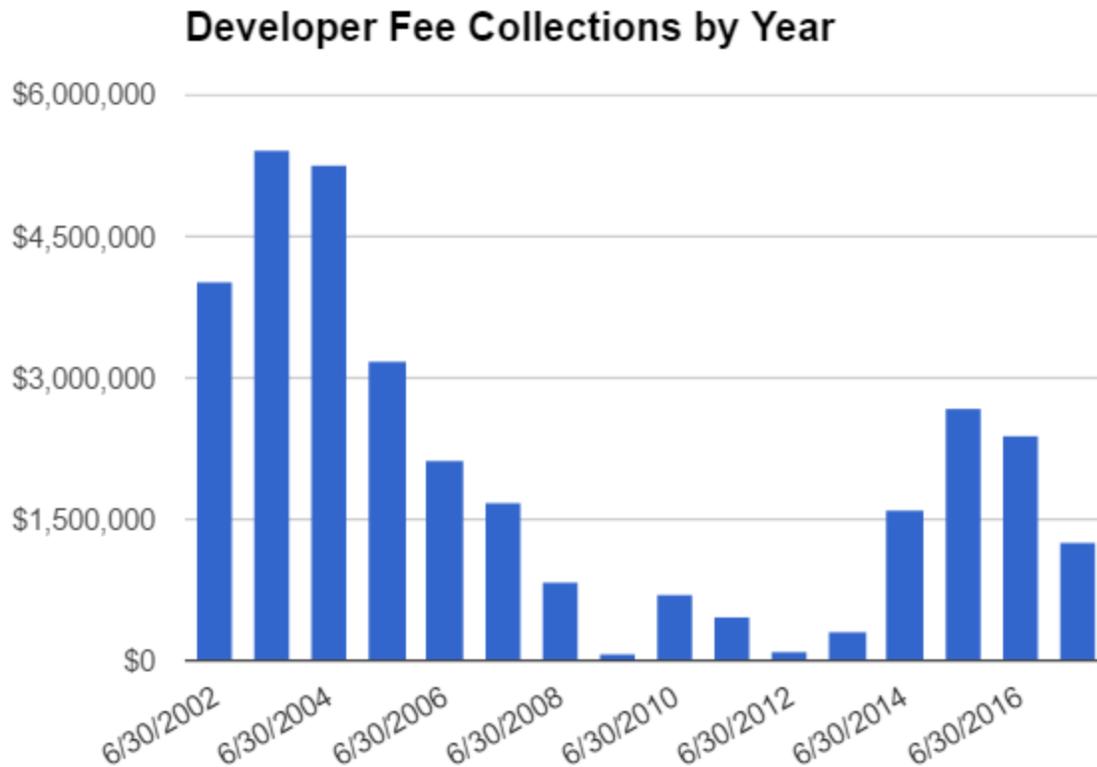
Financing construction requires a significant investment and careful planning. The District has funding available from developer fees, an existing Certificates of Participation (COP) financing, and the Measure T Bond.

Developer fees are fees that are paid by property owners and developers to school districts to mitigate the impact created by new development within a school district's boundaries on the school facilities. Fees are typically paid to the school district as a condition of a property developer or owner obtaining a building permit from the city or county for a construction project.

Level 1 Fees are established by the State and are considered the basic mitigation fee. Justification for the fee can be shown if anticipated residential, commercial and industrial development within a district has a nexus to additional students. The SAB reviews and adjusts the rate every 2 years. The current rate adopted in 2016 is \$3.48 residential and \$.56 commercial.

Level 2 Fees apply solely to residential construction. More specifically, the Level 2 fee is intended to represent fifty percent (50%) of a school district's facility construction costs per new

home served, and is applicable when the State Allocation Board is apportioning state school facility funding to school districts. The Level 2 study is valid for 12 months.



This chart depicts annual collections of developer fees over the past 15 years. While this source of funding has provided more than \$32 million in additional resources to address student housing needs, the chart also demonstrates the volatility of this revenue stream. It is best considered a supplemental resource rather than primary provider of future facilities funding.

Certificates of Participation

The District has utilized \$45 million in COPs providing for the completion of the abandoned projects and most of the additional facilities projects over the past 15 years. The District has approximately \$8.7 million remaining from these funds and plans to use more than half of them to fund the expansion projects at Liberty and Taylor. The debt service cost of the COPS is coming out of the general fund at about \$4 million per year, payable through 2033. With the amount outstanding, annual debt service costs, and the time remaining before payoff, this is an unlikely source of new revenue once the funds on hand are expended.

Measure T 2014 General Obligation Bond

Measure T is a \$45 million bond that was passed by a 62.09% vote of the SMBSD electorate. The funds are to be used for a specific list of projects that were outlined in the ballot measure and include improvements across all sites in the District except for Jimenez Elementary because it was still under construction at the time. The biggest project that will come from Measure T will be the next new elementary school described earlier in this plan. The other projects on this list were all developed over a period of several months where school site leaders led meetings with stakeholder groups to develop a list of projects that these groups best met the facilities needs at the site. Site leaders were then asked to prioritize these lists so that projects were aligned with allocations from bond proceeds. These prioritized lists were drafted into the ultimate ballot measure language and approved by voters on election day.

Future General Obligation Bonds

As resources are evaluated to fund a future junior high school, it appears that an additional general obligation bond will be necessary to provide sufficient funding to design and build this significant investment. As the time for this endeavor becomes closer, a team of professionals and volunteers will need to be assembled to ensure a successful outcome on election day. The design of the future junior high will be based on the Junior High Educational Specifications developed using the process described earlier in this plan. The bond sizing will be limited by the District's remaining bonding capacity. The District currently has \$30 million in bonds outstanding and \$15 million authorized to sell at a future date. As of July 1, 2016, the District's total bonding capacity is \$96,334,851, leaving approximately \$51 million for future bond elections assuming there is community support up to the maximum amount available.

State Funding from School Facility Program

The District has a history of using funds from the School Facility Program to provide resources for creating and improving student housing, obtaining more than \$125 million dollars in state grants in the past 15 years. The District plans to continue to take advantage of the opportunities offered by the School Facility Program to increase or improve spaces for student learning.

In November 2016, Californians supported Proposition 51 with a 55.18% Yes vote to provide \$12.1 billion in funding for school construction and modernization. The text reads: "Authorizes \$9 billion in general obligation bonds: \$3 billion for new construction and \$3 billion for modernization of K-12 public school facilities; \$1 billion for charter schools and vocational education facilities; and \$2 billion for California Community Colleges facilities". As mentioned earlier in this document, the District is currently focusing its resources in increasing classroom capacity for students which warrants a closer look at the \$3 billion set aside in the legislation for new construction. It is important to understand that applying for and receiving state grants is a time consuming process involving the completion and submission of multiple forms and documents to finally qualify for an apportionment. The State Allocation Board (SAB) has the authority to approve apportionments and the Office of Public School Construction is the agency

that administers the apportionments and accountability provisions of the program. Because at this point there are no funds available for apportionment, there is a significant number of projects from many districts across the state “waiting in line” for an apportionment. This line is represented by a series of lists that define where a project is in relation to the potential for future apportionment. To round out the information related to the School Facility Program as a funding source for the District’s facility master plan is to know that there are many other Districts on all of these lists that will be competing to receive funds as well. This is of particular interest related to the allocation of Proposition 51 described above placing limits on available funds once the bonds are sold. These lists are summarized below:

- OPSC Workload List—This list includes Approved Applications that have been received by OPSC, but have not been deemed Ready for Apportionment and have had limited reviews for completeness.
- Unfunded List (Lack of AB 55 Loans)—This list includes Approved Applications that have been fully reviewed and deemed Ready for Apportionment by OPSC, and have been processed to the SAB for unfunded approval pending the availability of funding under current bond authority.
 - Statewide projects on this list total \$104,712,120
 - The District has no projects on this list
- Unfunded List (Lack of Authority)—This list, sometimes referred to as the “true unfunded list,” includes Approved Applications that have been fully reviewed and deemed Ready for Apportionment by OPSC, and have been processed to the SAB for unfunded approval pending either the return of bond authority due to project rescissions or voter passage of future SFP bonds.
 - Statewide projects on this list total \$368,338,610
 - Currently the District has \$1,938 in projects on this list
- Applications Received Beyond Bond Authority List—This list includes Approved Applications that have been received by OPSC, have had limited reviews for completeness but have not been deemed Ready for Apportionment, and have been SAB acknowledged but have not received apportionments or unfunded approvals.
 - New construction projects on this list total \$1,526,332,061
 - Currently the District has approximately \$8.4 Million on this list
 - Modernization projects on this list total \$791,907,595
 - The District has no projects on this list

The above lists reflect a commitment of about 50% of the funds available in Proposition 51 for New Construction with only 5 months gone by since voters passed it into law. It will be critical for staff to remain diligent in the filing of forms and documents to maximize the amount of funding we might obtain for the school facilities we plan to build into the future. Proceeds

received from this program will be used to cover shortfalls between the actual build cost for the future school sites and bond proceeds received for their construction.

CONCLUSION

At the time that this update was being completed, the District's continuing focus was on resolving the unresolved deviation notices left in the field by TurnKey and addressing the growth in student enrollment that has filled every classroom available in the District and increased class sizes at every site. It is anticipated that the TurnKey buildings will all be closed with certification within 7 months of this report. Addressing the need for additional campuses and classrooms will continue into the near future requiring the District to make investments in new schools and additional classrooms. The District's facilities continue to have unmet needs for modernization and the strain upon core infrastructure that has developed as we added classroom buildings, permanent or portable, to a core campus that was left unchanged. Crowded libraries, cafeterias, parking lots and playgrounds are a symptoms of this response. These needs will be more readily addressed once the two primary challenges reach a successful conclusion. Finally, another impact of this prolonged overcrowding is the excessive wear and tear the District's facilities have experienced over several years. This has heightened the need to make a greater than average investment in both routine and major maintenance projects of all kinds. With more feet on floors, more hands on walls and fixtures, more strain on major equipment to heat, cool, feed, and secure students and teachers every day, campuses need even more attention to upkeep to stay functional and provide adequate student housing well into the future. The District must continue to address both its need for investments in new facilities but also the need to continue to invest in the maintenance of its existing campuses.