



# West Contra Costa USD

Presentation to the Bond Oversight Committee

December 5, 2012



# Purpose of the Presentation

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The purpose of this presentation is to provide the Bond Oversight

State Board of Education.

What is statutory bonding capacity?

Why does the District need a waiver?

Why is the District requesting that the BOC review the plan to request a waiver?

What rationale will be described in the request?

What is the likely outcome of the request?



# Authority to Issue GOBs

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# Education Code Provisions

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# Required Certifications

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School districts typically meet this requirement by making a certification at the time that a new series of bonds are issued.

Current assessed value.

Applicable percentage.

Bonding capacity.

Amount of bonds outstanding at close (including bonds being issued).

Note: A school district is not in violation of the provision if subsequent declines in assessed value or the amount of bonds outstanding.



# Current Status

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# Prior Waiver Requests 2005 Measure J

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In March 2009, the District has achieved bond capacity waiver in connection with 2005 Measure J.

Increased bonding capacity to 3.5% for all 2005 Measure J Bonds issued through December 31, 2019.

District issued Series C Bonds in September 2009 and Series D Bonds in June 2010.

\$77.6 million of 2005 Measure J Bonds remain authorized but unissued.



# Prior Waiver Requests 2010 Measure D

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In March 2011, the District achieved a bonding capacity waiver in connection with 2010 Measure D.

Increased bonding capacity to 5.0% for all 2010 Measure D Bonds issued through December 31, 2020.

District issued Series A Bonds in November 2011.

\$280 million of 2010 Measure D Bonds remain authorized but unissued.





# General Waivers

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The California Education Code gives the State Board of Education the authority to waive any provision of the Education Code by request of a petitioning school district. Education Code Section 33050 and following describes:

- Exceptions to such authority.
- Conditions that must be met.



# Content of Request

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The Department of Education requires that our request include the same certifications as all waiver requests. The eight question application includes the following questions:

Have any advisory committees reviewed the waiver?

Has the District consulted with its bargaining units?

Has the District held a public hearing?

What is the rationale for the request and what is the desired outcome?





# Rationale

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public support for the bond program.

Improvements that improve student safety.

Voter approval of 2012 Measure E (with over 64% support) is clear evidence that the community desires that authorized dollars be spent on identified projects.

Voters are aware that the District has a large bond program, that school facility tax rates are relatively high, and that issuing new bonds under 2012 Measure E would require a bonding capacity waiver.

The District will be able to implement its program within Proposition 39 tax rate constraints and has no current plans to issue bond anticipation notes or capital appreciation bonds.

Restricting access to bond proceeds based on the size of the tax base is not equitable, and works to the disadvantage of students in West Contra Costa USD specifically.



# Request Level

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The amount of the waiver request will be somewhere between 5.0% and 6.0%.



# Anticipated Concerns

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Although the State Board of Education has consistently approved



# Timing

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Our expectation is that our request will be considered at the March meeting of the State Board of Education.

Presentation of the plan to bond oversight committee, the facilities subcommittee, and union representatives in December.

Board approval of resolution calling for the submission of an application on Wednesday, December 12th (after public hearing).

Application to be submitted to the State Board of Education by Friday, December 21st (or earlier).

Support will be solicited from the Cities of Richmond, Pinole, Hercules, El Cerrito, and San Pablo in December and January.



# Conditional Approval

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Our expectation is that the request will be given provisional approval.

Specific to 2012 Measure E.

Limited to a certain percentage of assessed value.

Limited to bonds issued during a certain period of time.

