



SAN JACINTO UNIFIED SCHOOL DISTRICT

**COMBINED ANNUAL AND FIVE-YEAR
DEVELOPER FEE REPORT
FOR FISCAL YEAR 2018/2019**

DECEMBER 10, 2019

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PUBLIC FINANCE

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I. EXECUTIVE SUMMARY

Under Education Code 17620 *et seq.*, school districts may levy fees (“School Fees”) in order to offset the impacts to school facilities from new residential and commercial development. Commencing January 1, 1987, statutory school fees were authorized to be levied in the amount of \$1.50 per square foot of new residential assessable space and \$0.25 per square foot of enclosed commercial or industrial assessable space (“Level 1 Fees”), and are subject to an increase of the statutory fees based on the Statewide cost index for Class B construction, as determined by the State Allocation Board every two years. With the passage of Senate Bill 50 (the Leroy F. Greene School Facilities Act) in 1998, the State School Facility Program was established, and provides school districts with the option of adopting alternative school fees (also known as “Level II Fees” and “Level III Fees”) in excess of the Level I Fee upon meeting certain requirements, and are valid for a maximum of one (1) year.

In accordance with Government Code Sections 66001 and 66006, San Jacinto Unified School District (“School District”) must provide certain information on an annual and five-year basis regarding the collection and expenditure of School Fees collected under the authorization of Education Code Section 17620 *et seq* and Government Code Section 65995 *et seq.* For the purposes of annual and five-year reporting requirements, School Fees do not include letters of credit and bond proceeds secured by payment of School Fees at a future date; revenues from developments under special mitigation agreements; or any other financing instrument used by the School District to fund school facilities construction and improvements. The following information addresses annual and five-year reporting requirements specified by Government Code Sections 66001 and 66006.

II. ANNUAL REPORTING REQUIREMENTS

This report contains certain information regarding the type, amount, collection and expenditure of School Fees for Fiscal Year 2018/2019.

A. TYPE AND AMOUNT OF FEE

The School District collects both Level I Fees and Level II Fees (collectively “School Fees”). Level I Fees are collected pursuant to Sections 17620 et seq. of the Education Code and Sections 66001 and 65995 et seq. of the Government Code. School Fees are deposited into the Capital Facilities Fund, Fund 25. Level I Fees are levied on square footage of assessable space for commercial/industrial construction/reconstruction and residential construction/reconstruction (primarily residential additions). Additionally, pursuant to Sections 65995.5, 65995.6, and 65995.7 of the Government Code, the School District collected Level II Fees.

For collection purposes, all unmitigated residential construction/reconstruction in the School District was subject to per square foot School Fees in the amounts set forth in the table below.

FEE TYPE	EFFECTIVE DATES	SCHOOL FEE PER SQUARE FOOT
Level I Fees (Residential)	July 1, 2018 – May 11, 2019	\$3.48
Level I Fees (Residential)	May 12, 2019 – June 30, 2019	\$3.79
Level I Fees (Commercial)	July 1, 2018 – May 11, 2019	\$0.56
Level I Fees (Commercial)	May 12, 2019 – June 30, 2019	\$0.61
Level II Fees (Residential)	July 1, 2018 – March 13, 2019	\$4.11

B. BEGINNING AND ENDING BALANCE OF ACCOUNT, SCHOOL FEES COLLECTED, INTEREST EARNED AND DISBURSEMENTS (GOVERNMENT CODE SECTION 66006(B)(1) (C) AND (D))

In fiscal year 2018/2019, School Fees were deposited and expended from Fund 25 in amounts as follows:

ITEM	AMOUNT
BEGINNING BALANCE JULY 1, 2018	\$1,248,016.31
REVENUES	
<i>School Fees Collected</i>	<i>\$894,007.15</i>
<i>Interest Earned</i>	<i>71,973.57</i>
Revenues Subtotal	\$965,980.72
EXPENDITURES	
<i>Project Expenditures</i>	<i>(\$709,373.51)</i>
<i>Miscellaneous Transfer Out¹</i>	<i>(221,652.00)</i>
Expenditures Total	(\$931,025.51)
ENDING BALANCE JUNE 30, 2019	\$1,282,971.52

¹ Transfer out to adjust deposit of non-School Fee monies.

C. IMPROVEMENTS ON WHICH SCHOOL FEES WERE EXPENDED

Government Code Section 66006 (b) (1) (E) requires an identification of public improvements upon which School Fees were expended, along with the amounts and percentage of total project expenditures that were funded by School Fees. Project costs, as well as internal and external costs associated with State School Facility Program administration are itemized below:

PROJECT	AMOUNT OF PROJECT TOTAL FUNDED	PERCENTAGE OF PROJECT TOTAL FUNDED
Estudillo Portable Classroom Project	\$647,073.45	100.0%
Professional, Legal and Consulting Services ¹	61,766.29	100.0%
Advertising	533.77	100.0%
TOTAL	\$709,373.51	NA

¹ Includes, but is not limited to School Fee Justification studies, enrollment projections and fee reporting services.

D. ANTICIPATED DATES OF COMMENCEMENT FOR SUFFICIENTLY FUNDED AND INCOMPLETE PUBLIC IMPROVEMENT PROJECTS

Should the School District determine that sufficient funds are available to complete an incomplete public improvement project, pursuant to Government Code 66006 (b) (1) (F), the School District must identify an approximate date by which construction of the public improvement will commence. No ongoing public improvement expenditures have received sufficient funding.

E. INTERFUND TRANSFERS OR LOANS

Government Code Section 66006 (b) (1) (G) requires the description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan. No interfund loans or transfers were made during the reporting period.

F. REFUNDS OF SCHOOL FEES

Government Code Section 66001 (e) stipulates that the School District is required to refund unexpended portions of fees and interest accrued to property owners, should the School District determine that sufficient funds have become available to complete any incomplete projects (as described under Government Code 66006 (b) (1) (f)). However, no such refunds were issued in the 2018/2019 fiscal year.

III. FIVE YEAR REPORT

Government Code Section 66001 requires the following information to be provided with respect to unexpended funds in the account.

A. PURPOSE TO WHICH THE SCHOOL FEE IS TO BE EXPENDED

The purpose of the School Fees collected on new residential and commercial/industrial development is to fund construction and reconstruction of school facilities required to serve students generated by new development within the School District.

B. REASONABLE RELATIONSHIP BETWEEN THE SCHOOL FEE AND THE PURPOSE FOR WHICH IT IS CHARGED

The purpose of the School Fees collected on new residential and commercial/industrial development is to fund construction and reconstruction of school facilities required to serve the students generated by new development within the School District. The School Fee Justification Study adopted by the Board of Trustees (“Board”) in March of 2019 (“2019 FJS”) demonstrates the roughly proportional, reasonable relationship between the new residential, commercial and industrial development upon which Level I Fees are charged and the need for additional school facilities. The 2019 FJS identifies projected enrollment growth from the construction of new residential units. As shown in the 2019 FJS, additional residential development will generate additional students. Existing facilities are not adequate to accommodate projected students; therefore, the School District will be required to provide additional school facilities as a result of new residential development. The School Fees charged on new development will be used to fund school facilities needed to serve the students generated from new development. Additionally, School Fees do not exceed the cost of providing school facilities for the new students generated from new development.

C. IDENTIFICATION OF ALL SOURCES AND AMOUNTS OF FUNDING ANTICIPATED TO COMPLETE FINANCING FOR INCOMPLETE PROJECTS

The following table provides the information required by Government Code Section 66001(d)(1) (C) and (D).

PROJECT NAME	SOURCE OF FUNDING	EXPECTED DEPOSIT DATE	ANTICIPATED FUNDING AMOUNT	TOTAL ESTIMATED PROJECT COSTS
Ellen Ochoa Elementary School	State Funding	TBD	\$10,000,000	
	Developer Fees ⁱ	As Available	\$183,151	
	Other Sources		\$9,816,849	
<i>Subtotal</i>			<i>\$20,000,000</i>	<i>\$20,000,000</i>
New High School No. 2	State Funding	TBD	\$30,000,000	
	Developer Fees ⁱ	As Available	\$732,603	
	Other Sources		\$49,267,397	
<i>Subtotal</i>			<i>\$80,000,000</i>	<i>\$80,000,000</i>
New Middle School No. 4	State Funding ⁱⁱ	TBD	\$25,322,444	
	Local Bonds ⁱⁱⁱ	As Available	\$6,000,000	
	Developer Fees ⁱ	As Available	\$367,217	
	Other Sources		\$17,170,339	
<i>Subtotal</i>			<i>\$48,860,000</i>	<i>\$48,860,000</i>
TOTAL			\$148,860,000	\$148,860,000

ⁱ Based on Fund 25 balance for School Fees as of June 30, 2019.

ⁱⁱ Amount from the Office of Public School Construction's School Facilities Program Application Report as of September 30, 2018.

ⁱⁱⁱ Amount available from proceeds of the General Obligation Bonds Election of 2016, Series 2017.