



February 2015

LA HABRA
CITY SCHOOL
DISTRICT

IMPLEMENTATION PROGRAM UPDATE

**2014-15 Update to the La Habra City School District
Facilities Assessment and Implementation Plan**



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For:

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TABLE OF CONTENTS

Introduction.....	1
Phase I Program Review	2
1.1 Development of 2012 Facilities Assessment & Implementation Plan	2
1.2 Election Results.....	2
1.3 Citizens’ Oversight Committee	3
1.4 Implementation Program & Citizens’ Oversight Website.....	3
1.5 Phase I Status.....	4
1.6 Phase I Budget and Expenditures	7
Implementation Plan Data Updates.....	8
2.1 District Characteristics	8
2.2 Enrollment	10
2.3 Residential Development.....	15
2.4 District Capacity.....	16
2.5 State Aid.....	18
2.6 Conclusions.....	19
Phase II Program Implementation	21
3.1 Phase II Overview	21
3.2 Measure “O” GO Bond Funding.....	27
3.3 Phase II Financing Plan	28
3.4 Recommendations.....	29

INTRODUCTION

Caldwell Flores Winters, Inc. (“CFW”) is pleased to present a Program Update to the La Habra City School District (“District”) Board of Education. This document is guided by the approved 2012 Facilities Assessment and Implementation Plan and reviews the accomplishments since its adoption, including up-to-date demographic metrics, and proposed next steps of implementation. In short, this update summarizes the past efforts, present conditions, and future needs of the District’s facilities improvement program.

The key objectives of the 2012 Implementation Plan are:

- Increase student achievement and target enrollment growth through facilities upgrades that support innovative educational programs
- Transform the traditional classroom through integration of next generation technology and facilities improvements
- Enhance the sustainability of the General Fund and establish a level of facility quality commensurate with surrounding Districts through maintenance, new construction, and energy efficiency upgrades

As a result of the 2012 planning process, voters in the District approved Measure “O” in November 2012. Measure “O” is a \$31 million general obligation bond authorization providing the necessary funding for the plan.

The District’s Phase I program is well underway. Many Phase I projects have already been completed and those remaining are expected to be completed by the fall of 2015, well ahead of schedule. This was possible due to the diligence of District and school site personnel working collaboratively with program, design team, and construction management staff. The District has efficiently spent bond dollars and successfully kept the promises made to La Habra voters due to the ongoing project and program coordination.

This 2014-15 Program Update is divided into three sections. Section 1 provides a review of the planning process, a status update on Phase I work, and an analysis of the budget and expenditures through June 30, 2014. Section 2 revisits data provided in the 2012 plan for student demographics, historical and projected enrollment information, and existing capacity in order to consider if any changes are required to the program at this time. Section 3 provides a proposed strategy to accelerate implementation of Phase II projects, including a review of the District’s ability to issue bonds and a recap of new residential development activity and State aid eligibility. Finally, a proposed sources and uses plan is provided, highlighting Phase II acceleration along with recommended next steps.

PHASE I PROGRAM REVIEW

1.1 DEVELOPMENT OF 2012 FACILITIES ASSESSMENT & IMPLEMENTATION PLAN

The La Habra City School District was presented with a Facilities Assessment and Implementation Plan (“Implementation Plan”) in February 2012. The Implementation Plan outlines goals and objectives, an assessment of existing facilities, and a vision for improving local schools over four phases beginning in 2013 and ending in 2025.

The Implementation Plan was developed as part of an interactive community process that began in June 2011 and included numerous discussions with the District’s cabinet, key site stakeholders, parents, and community members as well as workshops with the Board of Education. The completed plan incorporates site development strategies for each of the District’s school sites. The Implementation Plan also establishes strategies for educational program development, including academy programs at the District’s two middle schools, and an innovative technology program to provide wireless improvements and iPads to students and teachers at all school sites over time.

As part of the planning process, a community survey was conducted in June 2012 to identify projects and concepts that were widely supported by local residents. The survey results indicated widespread support for many of the projects contained within the Implementation Plan and documented support for a local measure to fund a portion of the projects.

In July 2012, the District’s Board approved and adopted the Implementation Plan and adopted necessary documents to call for a November 2012 general obligation bond election.

1.2 ELECTION RESULTS

In November 2012, District voters approved Measure “O”, a \$31 million bond measure to modernize classrooms, increase student and teacher access to computers and modern classroom technology, and provide comparable facilities to neighboring school districts. The measure was approved by over 61% of local voters pursuant to the following ballot language:

"To modernize and improve classrooms and support facilities, upgrade libraries and science labs, increase student and teacher access to computers and modern classroom technology, improve student safety, replace leaky roofs and upgrade lighting, window, utility, heating, and ventilation systems to reduce annual operating costs shall the La Habra City School District be authorized to issue up to \$31,000,000 in bonds at legal interest rates, with an independent Citizens' Oversight Committee, annual audits, and no money for administrator salaries?"

The District has a respected tradition of delivering promised projects to the community as approved by voters in the initial ballot measure. The La Habra City School District was previously able to obtain local voter approval for

general obligation bonds to provide the local match for State aid grants. In June 2000, voters approved Measure “K” and subsequently completed significant upgrades to school facilities, including new classroom construction, as committed to voters. Once again, with Measure “O”, District staff has ensured a timely, efficient, and effective program that completes projects as promised. This objective forms the impetus for this Program Update to the 2012 Implementation Plan.

1.3 CITIZENS’ OVERSIGHT COMMITTEE

In accordance with Education Code Section 15278, the District established a Citizens’ Oversight Committee (COC) following Board certification of the election results. Per the Education Code, the Board appointed seven COC members to represent each of the following categories:

- ✓ Active in a business organization representing the business community
- ✓ Active in a senior citizens’ organization
- ✓ Active member of a bona fide taxpayer organization
- ✓ Parent or guardian of a La Habra City School District student
- ✓ Parent or guardian active in the La Habra PTA/PTSA or school site council
- ✓ At-large community member

The Board has adopted a resolution and accompanying bylaws establishing the COC. Consistent with Education Code and established procedures, the COC has been tasked with specific roles and responsibilities. These include a review of performance and financial audits prepared at fiscal year-end by an independent auditor, ongoing review of bond expenditures, and the submission of an annual report to the community. District staff has continued to diligently ensure that the COC is provided with the information and reporting required to conduct this important community oversight process. The Measure “O” COC typically meets on a bi-annual basis and has thus far convened the following meetings:

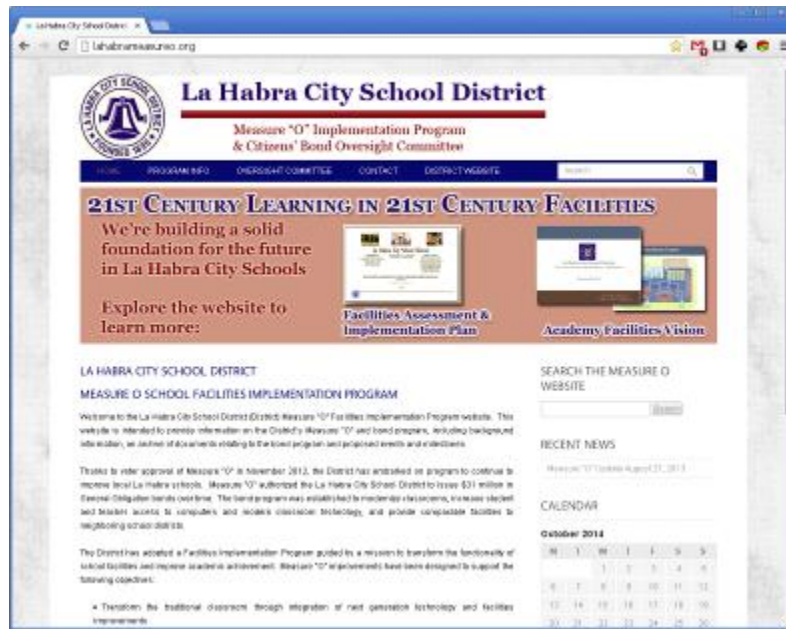
- January 23, 2013 – 4:30 pm – 500 N. Walnut Street, La Habra (District Office Curriculum)
- October 9, 2013 – 4:30 pm – 500 N. Walnut Street, La Habra (District Office Curriculum)
- February 26, 2014 – 4:30 pm – 500 N. Walnut Street, La Habra (District Office Curriculum)
- October 15, 2014 – 4:30 pm – 500 N. Walnut Street, La Habra (District Office Curriculum)

Its next meeting is anticipated for February 2015. Prior meetings have included training on roles and responsibilities, election of COC officers, updates on the Measure “O” program, discussion and review of bond expenditures, and annual report approval.

1.4 IMPLEMENTATION PROGRAM & CITIZENS’ OVERSIGHT WEBSITE

A permanent website to share information on the implementation program was developed for the community with assistance from District staff and consultants in 2013. The website can be viewed at www.lahabrameasureo.org and allows visitors to find information on project updates, view photos of construction

activity, or learn about the Implementation Plan that guides the program. A section also provides resources on the Citizens’ Oversight Committee, including financial audits, agendas, minutes, and reports to the community, consistent with the requirements of the Education Code.



<http://www.LaHabraMeasureO.org>

1.5 PHASE I STATUS

Phase I of the implementation program allocates \$7.1 million in bond funds toward four project categories to be implemented during the first phase of program implementation, between fiscal years ending 2013 to 2016:

- Academy upgrades at Washington and Imperial middle schools
- Technology upgrades, including mobile computing devices, wireless network enhancements, and modern telephone systems
- Roofing repair and replacement at critical locations
- Improved energy efficiency and deferred maintenance

District staff worked proactively to ensure that projects not requiring approval by the Division of the State Architect (DSA) were able to begin immediately (e.g., roofing, furnishings, technology). Other projects required careful coordination with the District’s architect (e.g., classroom interior improvements) in order to secure approval by the Division of the State Architect (DSA). The result has allowed students and teachers to benefit from Measure “O” improvements sooner and has put the District in a position to complete all Phase I work ahead of schedule from the original end of FY2016 timeline that was targeted in 2012.

The following is a summary of Phase I project status:

- **Roofing Repair/Replacement**

Status: COMPLETED – Summer 2013

New roofs were provided at Imperial Middle, Washington Middle, Las Lomas Elementary, Las Positas Elementary, and Ladera Palma Elementary. The work was completed over the summer of 2013.



Workers replace roofs atop the District's schools.

- **Academy Upgrades - Exterior**

Status: COMPLETED – February 2014

Phase I included upgrades to the learning environments at Imperial and Washington middle schools. Electronic marquee signs were installed at both sites in February 2014. At the same time, improvements were made to the east and west courtyards at Imperial Middle, completed in February 2014 for improved safety and enhanced outdoor activity space.



New electronic marquees help communicate academy programs to the La Habra community.



Courtyard improvements also allow for outdoor science and math project based learning activities.

- **Academy Upgrades - Furnishings**

Status: Initial Rooms COMPLETED

Imperial and Washington middle schools were provided with new flexible and modern furnishings to support the District's efforts to establish 21st century learning environments. Select classrooms have been outfitted with modern furnishings in support of the academy programs at each site and as a model for future classroom modernization.



Students utilize group collaboration tables in the Project Lead the Way lab; flexible tables and ergonomic chairs allow improved student/teacher engagement in regular classrooms

- **Technology Upgrades**

Status: DEPLOYED / CONTRACTED

As part of the technology implementation program, the District deployed over 2,000 iPads to school sites. The devices were supplied with protective cases and preloaded with productivity and educational apps. The District purchased mobile charging carts so that a set of devices could be wheeled between classrooms and kept secure and fully charged for student and teacher use. Teachers were provided with professional development prior to introducing iPads into the curriculum in order to ensure devices are used effectively as instructional tools. Prior to deployment, the District's program manager assisted in preparing an RFQ process for Federal E-rate eligible funding of network improvements designed to address bandwidth capacity and related issues.

The District entered into a lease contract with Cisco Systems to provide the installation of modern telephone systems, wireless network equipment, and required server infrastructure, funded in part by Measure "O" dollars.



Hundreds of new iPads are unboxed and prepared for deployment by District staff.

- **Academy Upgrades - Interior / Energy Efficiency / Deferred Maintenance**

Status: DSA APPROVED – Construction to Begin November 2014

Some of the oldest classrooms at Imperial and Washington middle schools will be upgraded with extensive interior improvements as part of the implementation program. New paint, carpet, tack boards, and white board surfaces will be provided. New classroom furnishings will improve the usage of available classroom space and provide teachers greater flexibility in arranging rooms to apply Common Core and other innovative learning methods. These rooms are also being designed with energy efficiency in mind and seek to reduce daily operating costs by replacing less efficient lighting, windows, and aging heating, ventilation, and air conditioning (HVAC) systems. New LED lighting will improve lighting and energy efficiency. New energy efficient double glazed windows will improve insulation and 14 new HVAC units will provide heating and cooling more effectively throughout these rooms, while consuming less power than their predecessors. Design activities for the Imperial and Washington middle school projects are completed. Construction work is anticipated to commence in November 2014.

District staff has worked closely with the program manager throughout Phase I to monitor design and construction progress, audit invoicing, and maintain the master schedule. The program is on schedule due to thorough and conscientious planning and implementation.

1.6 PHASE I BUDGET AND EXPENDITURES

In an effort to assist the District with accurate program bond accounting, CFW has established a budget and expenditures tracking protocol for Phase 1 projects that are currently under implementation. This tracking includes a record of all Program expenditures for the period July 1, 2012 to June 30, 2014. The expenditures are organized by each project under implementation, with the expenditures for each project organized by fiscal year. Summary and detailed expenditure reports, broken down into subcategories of spending have been prepared and submitted to District staff, and are available for review by the Board and Citizens Oversight Committee.

The Phase I budget includes approximately \$7.1 million in planned improvements, as well as additional dollars made available by the District for expanded scope of work that provided additional classroom improvements. Project budgets are reviewed and adjusted where required to accommodate actual expenditures and any changes to anticipated commitments. Where required, the program reserve will be utilized to accommodate unforeseen but required budget adjustments. As of June 2014, approximately \$3.4 million had been expended for the Phase I program.

SECTION 2:

IMPLEMENTATION PLAN DATA UPDATES

The District’s Facilities Assessment and Implementation Plan included a general review of characteristics that impact the need for improvements to classrooms and support facilities. These characteristics help predict trends in enrollment over time, provide an indication of current site capacity levels, and assist educators in formulating educational programs. The primary source of data is publicly available information released by the California Department of Education or the California Department of Finance; however, the official reporting by these agencies often lags behind the date the actual data was collected by 12 to 18 months. For example, at the time of the Plan’s preparation in early 2012, the most recent data available for District Academic Performance Index (API) scores covered the 2010-11 school year.

This Program Update revisits key indicators and provides updated information through the 2013-14 school year in most cases, with enrollment reflecting numbers reported to the State on October 1, 2014 for the 2014-15 school year. The purpose of this exercise is to consider if underlying District demographic trends resemble those anticipated by the original 2012 plan and to adjust, if required, assumptions made about anticipated facilities needs.

2.1 DISTRICT CHARACTERISTICS

The La Habra City School District (District) currently educates approximately 5,017 students in grades K-8 across nine schools. Seven of these are elementary schools and the remaining two are middle schools.

As of the end of fiscal year 2014, the District had 2,090 of its students classified as English Learners, comprising 40.6% of the District’s student population (**Table 1**). This compares with approximately 26.1% of students classified as English Learners in Orange County as a whole. An increase of approximately half of one percent in the District and one percent in the County has been observed from the data available at the time of the 2012 Implementation Plan.

TABLE 1: DISTRICT STUDENT DATA (2013-14)

	Special Ed. Enrollment	English Learners	Free or Reduced Price Meals
La Habra City ESD	10.3% (532)	40.6 % (2,090)	77.6% (3,995)
County Total:	10.4 % (52,216)	26.1 % (130,570)	50.0% (250,408)
State Totals:	11.3% (705,279)	22.7% (1,413,549)	59.4% (3,707,508)

A total of 3,995, or 77.6%, of the District’s students were eligible for free or reduced-price school meals. Since the 2012 plan, the percentage of students eligible for free or reduced meals has increased by approximately 4%. The County experienced a similar increase of approximately 5% of students eligible for free and reduced-price meals.

Table 2 below provides a review of the District’s most recently available Academic Performance Index (API) test score information. API scores at the elementary school level have remained constant with modest intermittent decreases or increases as is common as student cohorts matriculate from year to year.

At the middle school level, where Phase I facility improvements have been focused, new data from the last two testing cycles demonstrates continued year-after-year API growth. The Implementation Plan facilitated academy development efforts at each of these schools to encourage this academic achievement gain and assumes similar performance gains as subsequent schools are improved.

TABLE 2: DISTRICT API SCORES

School	12-13	11-12	10-11	09-10	08-09
Arbolita Elementary	855	805	802	788	813
El Cerrito Elementary	716	779	763	775	747
Ladera Palma Elementary	804	776	869	811	887
Las Lomas Elementary	826	828	802	810	823
Las Positas Elementary	790	804	812	795	820
Sierra Vista Elementary	794	813	816	786	780
Walnut Elementary	723	759	783	753	796
Imperial Middle	775	768	751	747	732
Washington Middle	781	758	763	725	720

* Index is based on a scale of 200 to 1,000, with 800 as the established statewide performance target
Source: Data Quest

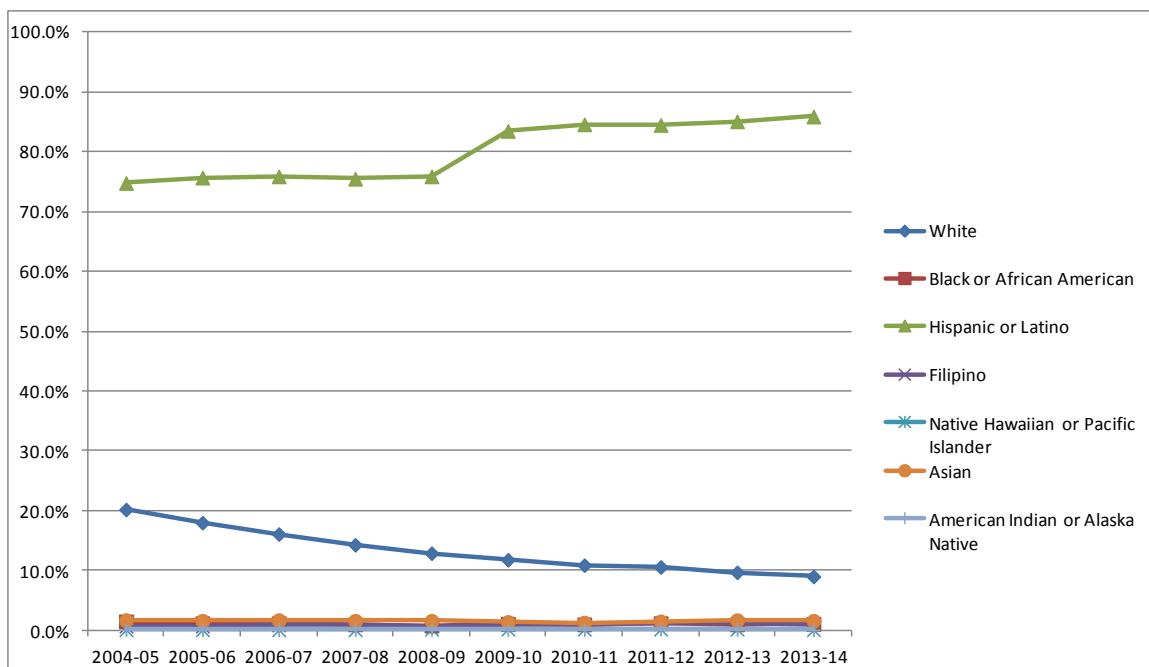
TABLE 3: LA HABRA CITY SCHOOL DISTRICT DEMOGRAPHIC TRENDS

Race/Ethnicity	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
White	20.2%	18.0%	16.1%	14.3%	12.9%	11.8%	10.9%	10.6%	9.7%	9.0%
		(-2.2%)	(-1.9%)	(-1.8%)	(-1.4%)	(-1.1%)	(-0.9%)	(-0.3%)	(-0.9%)	(-0.7%)
Black or African American	1.5%	1.2%	1.2%	1.0%	0.8%	1.1%	1.0%	1.2%	1.0%	1.1%
		(-0.3%)	(+0.0%)	(-0.2%)	(-0.2%)	(+0.3%)	(-0.1%)	(+0.2%)	(-0.2%)	(+0.1%)
Hispanic or Latino	74.8%	75.7%	75.9%	75.5%	75.9%	83.5%	84.6%	84.5%	85.1%	85.9%
		(+0.9%)	(+0.2%)	(-0.4%)	(+0.4%)	(+7.6%)	(+1.1%)	(-0.1%)	(+0.6%)	(+0.8%)
Filipino	0.7%	0.7%	0.9%	1.0%	0.8%	1.0%	1.0%	1.1%	1.1%	1.0%
		(+0.0%)	(+0.2%)	(+0.1%)	(-0.2%)	(+0.2%)	(+0.0%)	(+0.1%)	(+0.0%)	(-0.1%)
Native Hawaiian or Pacific Islander	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%
		(+0.0%)	(+0.0%)	(+0.0%)	(+0.1%)	(+0.0%)	(+0.0%)	(+0.0%)	(+0.0%)	(-0.1%)
Asian	1.7%	1.6%	1.7%	1.6%	1.6%	1.4%	1.3%	1.5%	1.7%	1.6%
		(-0.1%)	(+0.1%)	(-0.1%)	(+0.0%)	(-0.2%)	(-0.1%)	(+0.2%)	(+0.2%)	(-0.1%)
American Indian or Alaska Native	0.1%	0.1%	0.2%	0.2%	0.2%	0.1%	0.1%	0.2%	0.2%	0.1%
		(+0.0%)	(+0.1%)	(+0.0%)	(+0.0%)	(-0.1%)	(+0.0%)	(+0.1%)	(+0.0%)	(-0.1%)

Table 3 and **Figure 1** show demographic trends by ethnicity over the ten-year period from 2004-05 to 2013-14. The District’s student population by race is changing, with the Hispanic/Latino proportion on the rise. In the 2013-14

school year, the majority of the student body (85.9%) of the District was made up of Hispanic or Latino students. The remaining population consisted of 9% White, 1% Asian, Black or African American, Filipino students, and 0.1% of students were of Native Hawaiian or Pacific Islander and American Indian or Alaska Native heritage.

FIGURE 1: LA HABRA CITY SCHOOL DISTRICT DEMOGRAPHIC TRENDS



Demographic factors may also influence future enrollment trends. The State’s Department of Finance considers demographic factors such as ethnicity in calculating birth projections at the county level. These projections take into account past trends in each ethnic group’s total fertility rate in order to consider the rate of future births. For example, State birth projections currently factor in a higher fertility rate for the Hispanic/Latino demographic category, which continues to increase within the District.

2.2 ENROLLMENT

The Implementation Plan contained enrollment data through the 2011-12 school year. At the time the plan was published, a slow economic recovery from the Great Recession continued to have an impact on the District’s schools in the form of declining enrollment. Economic factors, paired with a significant decline in local birthrates, were seen as leading causes. Projections in the Implementation Plan anticipated this declining enrollment to continue at pace for approximately five years, before beginning to level off for approximately five more years. The Implementation Plan hypothesized that its conservative enrollment projections could be improved upon if a local funding measure were to pass and facilities and technology improvements were to begin at local schools.

HISTORICAL ENROLLMENT

Figure 1 below provides a ten year historical enrollment review between 2004-05 and 2014-15 using official data reported by the California Basic Educational Data System (CBEDS) as well as current school year data collected

October 1, 2014 and anticipated for submittal to the State. The same data is also shown in [Figure 2](#), broken down by grade level. As originally noted in the Implementation Plan, the District has experienced ongoing enrollment declines over the last ten years. While any decline in enrollment year after year is disheartening, the rate of change for this decline may better explain how the District’s efforts to improve its facilities and educational program are beginning to yield a positive impact.

Data on the most recent three years of enrollment was not available when the Implementation Plan was prepared in 2012. Interestingly, this new data shows a marked improvement in the rate of enrollment decline that the District is experiencing. Put another way, though declines have continued, they are now less severe. Between the school years ending 2012 to 2015, total District enrollment declined by 244 pupils, or 4.6%. Looking at a similar period of time from the school years ending 2009 to 2012, District enrollment declined by 372 pupils, or 6.6%. The Implementation Plan appears to have correctly predicted that the 6.6% decline was likely to improve in immediate future years, though the District has outperformed its projection of a 4.9% decline in enrollment over the 2012 to 2015 period.

Further back, between the school years ending 2006 to 2009, District enrollment declined by 532 pupils, or 8.6%. Thus, data from the most recent period since the adoption of the Implementation Plan indicate that the District has come close to cutting by half the severity of enrollment declines it experienced.

Comparing projected enrollment to actual enrollment for school years ending 2013, 2014, and 2015 also provides insight into the model CFW utilized to project enrollments and the impact of facilities and program improvements on this model. The District enrolled 17 more students this year than projected in the Implementation Plan, 28 more students last year, and 24 more than projected in 2013. Two notable conclusions can be drawn from this observation: first, the model used in the Implementation Plan produced an enrollment estimate that was close to 99.5% accuracy within each of the last three years; second, since actual enrollments were approximately half of one percent higher than projected, one possible hypothesis is that qualitative changes in the District are beginning to have an impact on an otherwise quantitative measurement of change in enrolment.

FIGURE 1: LA HABRA CITY SCHOOL DISTRICT HISTORICAL ENROLLMENT

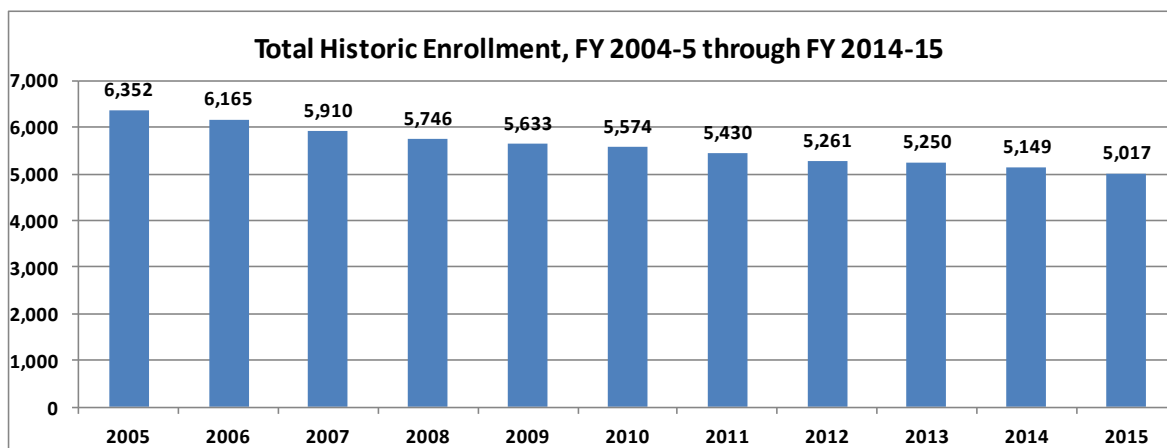
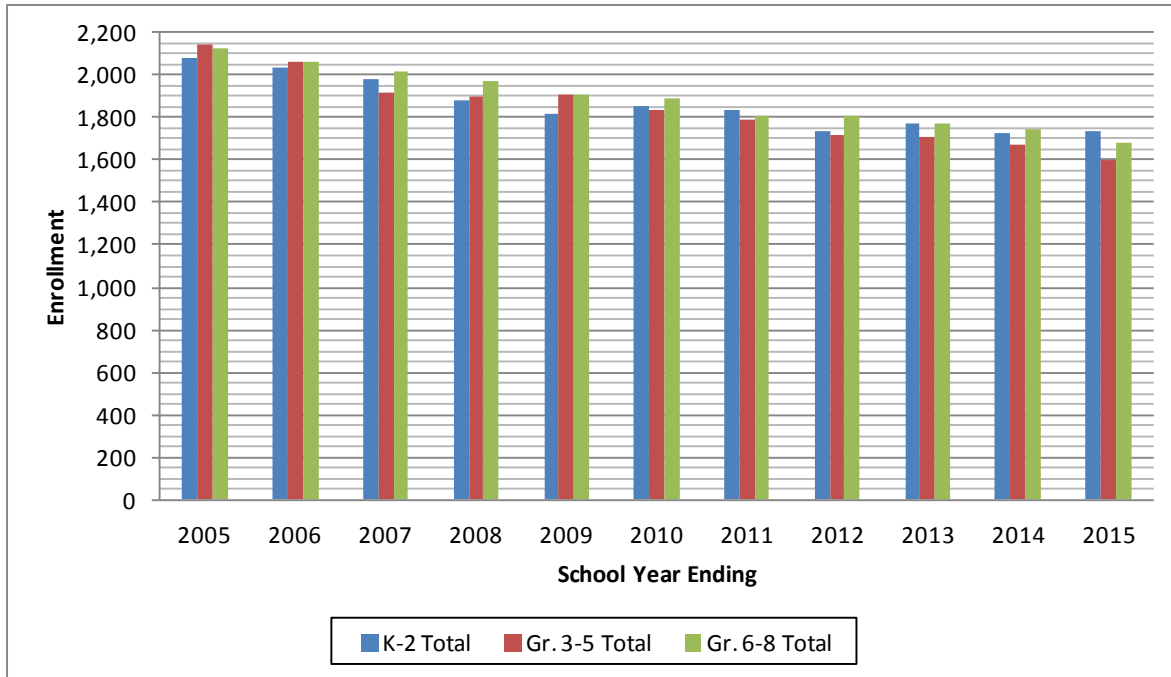


FIGURE 2: LA HABRA CITY SCHOOL DISTRICT HISTORICAL ENROLLMENT BY GRADE



BIRTHS AND KINDERGARTEN TRENDS

To project enrollment, the overall birth rate within the District is used to estimate the expected impact to kindergarten enrollment when these children begin attending elementary school at age five. This information is coupled with historical student cohort survival rates between grade levels to project grade matriculation over time. The cohort method reviews the movement of students through grades and serves as an indicator of net migration of students.

There is a reasonably consistent correlation over time between the number of children born in an area and the proportion of those children enrolling in kindergarten five years later. Birth data for Orange County and the 90631 and 92821 ZIP codes, that substantially cover the La Habra City School District, were collected for the period from 2000 through 2012. For each year, the ratio of births between the County and the ZIP code was calculated (left columns in [Table 4](#)), along with a five year average ratio. A similar ratio comparing District kindergarten class size and total ZIP code births five years earlier was determined (right columns in [Table 4](#)), along with a five-year average. Using forecasts for Orange County births from 2013 to 2020, projected ZIP code births were estimated by multiplying each year’s County projection by the five-year average of 0.033. Finally, the projected size of kindergarten classes from 2016 to 2025 was determined by multiplying projected ZIP code births by the five-year average ratio of kindergarteners to ZIP code births, or 0.36.

TABLE 4: BIRTH AND KINDERGARTEN TRENDS

Orange County					La Habra City SD			
Year	County Births	ZIP Code Births	ZIP Code/County Birth Ratio		Kindergarten Year	Kindergarten Class Size	K Class Size/ZIP Code Birth Ratio	
Historical	2000	46,980	1,580	0.034	Historical	2005	699	0.44
	2001	45,492	1,450	0.032		2006	693	0.48
	2002	44,796	1,487	0.033		2007	626	0.42
	2003	45,366	1,458	0.032		2008	605	0.41
	2004	45,060	1,452	0.032		2009	631	0.43
	2005	44,065	1,438	0.033		2010	616	0.43
	2006	44,231	1,409	0.032		2011	615	0.44
	2007	44,026	1,481	0.034		2012	585	0.40
	2008	42,456	1,401	0.033		2013	682	0.49
	2009	40,431	1,303	0.032		2014	651	0.50
	2010	38,237	1,296	0.034		2015	609	0.47
	2011	38,100	1,271	0.033		Proj.	2016	582
2012	38,186	1,280	0.034	2017	586		0.46	
Prior 10 year average				0.033	Prior 10 year average			0.45
Prior 5 year average				0.033	Prior 5 year average			0.46
Year	County Projection	Zip Code Projection based on 5 year Avg. Correlation			Kindergarten Year	Kindergarten Projection based on 5 year Avg. Correlation		
Projected	2013	38,395	1,275	0.033	Projected	2018	583	0.46
	2014	38,872	1,291	0.033		2019	591	0.46
	2015	39,300	1,305	0.033		2020	597	0.46
	2016	39,719	1,319	0.033		2021	603	0.46
	2017	40,132	1,332	0.033		2022	610	0.46
	2018	40,569	1,347	0.033		2023	616	0.46
	2019	40,896	1,358	0.033		2024	621	0.46
	2020	41,233	1,369	0.033		2025	626	0.46

ENROLLMENT PROJECTIONS

Elementary school enrollment data can be used to estimate the number of pupils in each grade level and how this number may change as pupil cohorts progress from kindergarten through eighth grade. Once the projection of future kindergarten enrollment is established, it can be coupled to historical student cohort survival rates between grade levels to estimate the size of each class, from grades 1 through 8.

This cohort survival method reviews the movement of students through grades and serves as an indicator of net migration of students over time. First, a coefficient is created based on the net migration of students between grade levels, averaged over the past five years. This coefficient is then applied to the total number of students in a selected grade level of the current year to generate a projection of the number of students in a subsequent grade level the following year. For instance, if the average grade 8 cohort over the past five years was 85 students, while the average grade 7 cohort from the year previous was 100 students, then a coefficient of 0.85 is applied to the current grade 7 population to project the grade 8 class size for next year. A current grade 7 cohort of 110 students, for instance, would be projected to matriculate 94 grade 8 students the following year (110 x 0.85 = 94).

Table 5 provides a history of student enrollment between 2005 and 2015 and projected enrollment through 2025, using the five-year average kindergarten share of prior births for projections obtained from **Table 4**. The same data is also show in graphic form under **Figure 3**. Under this approach, kindergarten enrollment is anticipated to decrease over the next few years and slowly increase by 2019. District enrollment is expected to decrease 228 students over the next five years. Over the next ten years by 2025, total enrollment is projected at 4,992 students.

The cohort matriculation approach works best during intermediate periods when there has not been a substantial variation in the direction of enrollment trends. The method tends to reduce the rate of annual change. Its major weakness is that birth rate data is only accurate to the current year and must be projected thereafter. For example, if future residential development is accelerated, it may increase enrollment beyond the current projection. This may boost enrollment, although not likely to a significant degree.

Given that development profile of the district has not changed significantly from 2012, and that the 2012 projection came close to actual realized figures for 2012 through 2015, the same projection methodology inclusive of the estimated impact to the District from pending development has been used in preparing this update to the projection.

Demographic factors may also influence enrollment trends. As shown in the earlier **Table 1**, demographic trends by ethnicity, the District’s student population by race is changing, with Hispanic/Latino proportion on the rise. Even without significant residential growth, the number of new students may continue to grow; especially if the Hispanic/Latino population increases within the District attendance area. Additionally, the number of students who transfer into the District can provide a boost to enrollments not accounted for in the above projection.

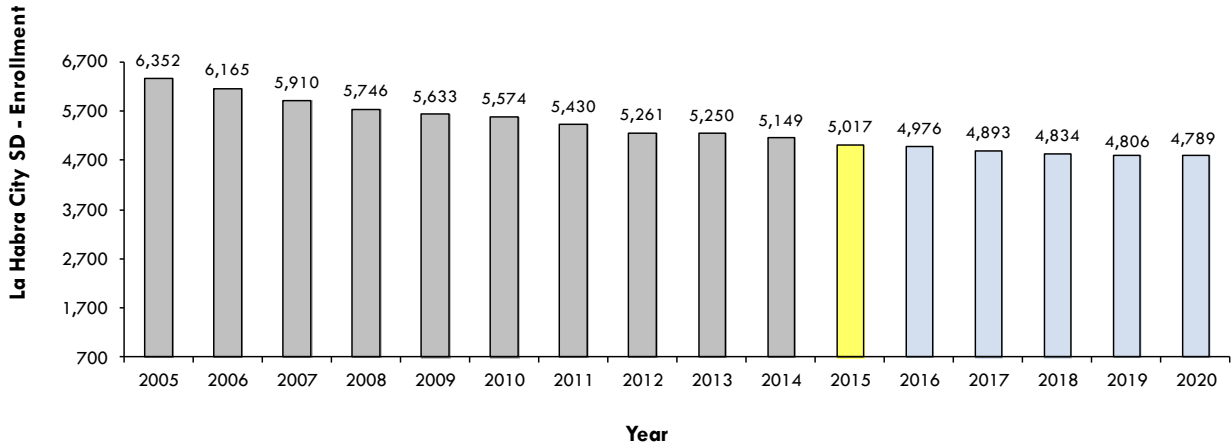
Ultimately, CFW expects that District enrollments will experience declines over the next five years with slight increases commencing in 2021. Beyond that, the increasing proportion of the Hispanic/Latino population in the District attendance area may result in increased kindergarten enrollments.

TABLE 5: HISTORICAL AND PROJECTED DISTRICT ENROLLMENT

Year Ending	Grade Level									Total	Annual Change
	K	1	2	3	4	5	6	7	8		
2005	699	685	697	722	711	708	722	699	709	6,352	
2006	693	701	644	677	696	691	688	694	681	6,165	(187)
2007	626	685	665	607	646	666	660	680	675	5,910	(255)
2008	605	607	667	649	606	641	637	664	670	5,746	(164)
2009	631	608	577	655	646	605	618	645	648	5,633	(113)
2010	616	617	618	541	646	647	604	621	664	5,574	(59)
2011	615	613	605	607	544	638	617	582	609	5,430	(144)
2012	585	569	577	586	585	547	623	612	577	5,261	(169)
2013	682	534	553	568	571	570	540	626	606	5,250	(11)
2014	651	556	520	558	556	562	571	537	638	5,149	(101)
2015	609	571	554	501	552	548	564	583	535	5,017	(132)
2016	582	553	559	547	495	548	542	565	584	4,976	(41)
2017	586	519	541	552	539	493	547	547	568	4,893	(83)
2018	583	518	512	538	547	535	495	554	552	4,834	(59)
2019	591	513	513	509	534	545	538	502	561	4,806	(28)
2020	597	528	509	509	507	533	548	548	508	4,789	(17)
2021	603	536	524	509	508	509	537	558	556	4,839	50
2022	610	540	533	524	508	510	514	548	567	4,855	16
2023	616	547	539	534	525	511	517	526	559	4,874	19
2024	621	554	546	541	536	529	519	530	538	4,915	41
2025	626	561	555	550	545	542	538	533	543	4,992	77

Source: California Basic Educational Data System (CBEDs) and CFW Projections

FIGURE 3: HISTORICAL AND PROJECTED DISTRICT ENROLLMENT



2.3 RESIDENTIAL DEVELOPMENT

The geopolitical boundaries of the La Habra City Elementary School District include three cities: the City of La Habra, the City of Fullerton and the City of Brea. According to the District’s May 2014 School Fee Justification Study, a total of 128 residential units were projected to be developed over the next ten years across these three cities. Independently, CFW communicated with city planning departments to verify and update this information for inclusion into this plan update.

CFW identified 470 new residential units in the City of La Habra under various stages of development, as follows:

- 300 S. Euclid Street – 91 detached townhomes – Certificate of Occupancy in April 2014
- 400 N. Walnut Street – 18 detached townhomes – Certificate of Occupancy in August 2013
- 800 N. Walnut Street – 8 condo units – under construction
- 520-526 E. La Habra Blvd – 7 condo units – under construction
- 306 S. Monte Vista St. – 12 apartment units – entitled – construction 2015
- 400 S. Monte Vista St. – 2 rental units - under construction
- 1001 E. Whittier Blvd – 32 detached townhomes – entitled – construction 2015
- 951 S. Beach Blvd – 300 apartment units – undergoing environmental review

Per State guidelines, developments that are constructed and occupied are considered to have previously impacted the District’s enrollment, and are not considered in calculating new construction grant eligibility. As such, the 91 townhomes on 300 S. Euclid and 18 townhomes on 400 N. Walnut Street may not be included in any future

projected new construction eligibility. In addition, the California State Allocation Board School Facility Program Review Subcommittee held a meeting on August 13, 2013 to discuss ways to improve the State School Facilities Program. One of the proposed changes that was approved by the State Allocation Board in January of 2014 based upon the Subcommittee's recommendation is that "approved" tract maps instead of proposed tract maps be used in determining future housing needs of the District. Given this new requirement, the 300 apartment units on 951 S. Beach Blvd should not be included in future projected new construction eligibility until such a time when this development receives tract map approval from the City of La Habra. Accounting for these units that would likely not be included in State grant eligibility calculations and subtracting them from the 470 units reported by the City of La Habra, 61 units remain likely to be included in an estimate of developments impacting the District based on current and anticipated rules at this time.

In addition, CFW made contact with the City of Fullerton Planning Department in October 2014 which identified a new residential development project currently in the planning stages at the "Beckman Site" located at 4300 N. Harbor that is within the District's boundaries. The project was originally proposed for 800 units, however the project had encountered some environmental issues that will likely reduce the project size from the proposed 800 unit number. This project has not yet received the City of Fullerton's approval. An additional City of Fullerton development within the District's boundaries includes the "West Coyote Hills" project. This project is planned for approximately 760 single family homes. Fullerton's planning department indicated that it would be approximately 3-4 years before this project would be approved by the City Council.

Lastly, upon CFW's review of the City of Brea's development in October 2014, no pending developments within the District's boundaries were reported at this time. Therefore, planning department information regarding current and upcoming development from all three cities does not significantly contradict or challenge the assumption made by the 2014 Developer Fee Study finding 128 residential units projected over the next 10 years.

2.4 DISTRICT CAPACITY

The 2012 Facilities Assessment and Implementation Plan provided a review of the District's existing classroom inventory and estimated capacity. In order to determine the capacity, each site was surveyed and assigned a capacity based on local District loading standards and State loading standards. As per the 2012 plan, the District loading standard was 31 students for kindergarten, 30 students for grades 2-5, and 30 students for grades 3-5. The State's standard is 25 students per classroom for elementary grades and 27 students per classroom for middle school. Assuming State loading standards, [Tables 6 and 7](#) provide the total estimated capacity and inventory of permanent and portable classrooms spaces used as teaching stations as recently presented in the District's May 2014 School Fee Justification Study. The District has a total of 301 classrooms, including 248 permanent classrooms and 53 portable classrooms.

TABLE 6: TOTAL ESTIMATED CAPACITY ESTABLISHED BY MAY 2014 SCHOOL FEE JUSTIFICATION STUDY

School Site	Total Classrooms	Classrooms in Non-Classroom Use	SDC	Total Student Capacity
Arbolita Elementary	16	0	2	426
El Cerrito Elementary	18	12	2	776
Ladera Palma Elementary	18	6	1	613
Los Lomas Elementary	22	4	5	715
Las Positas Elementary	27	5	2	826
Sierra Vista Elementary	27	4	2	801
Walnut Elementary	25	4	2	751
Imperial Middle	40	6	1	1,243
Washington Middle	36	12	2	1,298
Total	229	53	19	7,449

Source: May 2014 School Fee Justification Study

TABLE 7: CAPACITY IN PORTABLES ESTABLISHED BY MAY 2014 SCHOOL FEE JUSTIFICATION STUDY

School Site	No. of Portables	Portables Capacity
Arbolita Elementary	6	150
El Cerrito Elementary	5	125
Ladera Palma Elementary	11	275
Los Lomas Elementary	8	200
Las Positas Elementary	2	50
Sierra Vista Elementary	2	50
Walnut Elementary	8	200
Imperial Middle	5	135
Washington Middle	6	162
Total	53	1,347

Source: May 2014 School Fee Justification Study

Table 8 provides a review of adjusted capacity as presented in the May 2014 School Fee Justification Study which removes portables from the capacity analysis. For new construction purposes, the State generally will not include portables as part of a school district’s capacity. At the State standard, the maximum capacity is 6,102, which excludes portables. Given the District’s current (FY2014-15) total enrollment of 5,017, under State standards, the District has surplus space of 1,085 students. Given this surplus, the District is unlikely to receive State funding for new construction at this time. However, the impact of future approved development within the District’s boundaries and its yield of future enrollments should continue to be monitored.

TABLE 8: ADJUSTED CAPACITY IN PORTABLES ESTABLISHED BY MAY 2014 SCHOOL FEE JUSTIFICATION STUDY

School Site	Total Student Capacity	Portables Capacity	Adjusted Capacity
Arbolita Elementary	426	(150)	276
El Cerrito Elementary	776	(125)	651
Ladera Palma Elementary	613	(275)	338
Los Lomas Elementary	715	(200)	515
Las Positas Elementary	826	(50)	776
Sierra Vista Elementary	801	(50)	751
Walnut Elementary	751	(200)	551
Imperial Middle	1,243	(135)	1,108
Washington Middle	1,298	(162)	1,136
Total	7,449	(1,347)	6,102

Source: May 2014 School Fee Justification Study

In the future, the District may consider completing an update to its classroom inventory filed with the State to reflect the current status of teaching stations. This update would require the identification of portable classrooms that are certified or non-certified and an explanation as to the actual teaching stations currently being utilized and may require a field visit from the State. Further, the District may consider ways to reassign spaces to better accommodate current and expected enrollment needs. For example, should the District eliminate its 53 portables and convert approximately 40 permanent classroom spaces for non-classroom uses, the District would have a capacity of 5,200 at State standards (25 per classroom), consistent with the supply of student housing required today and likely required over the next 10 years.

2.5 STATE AID

The State provides periodic funding to school districts from its School Facilities Program (SFP) in the form of per-pupil grants to construct new school facilities or modernize existing ones. The premise of the SFP is to ensure that every district has a supply of adequately maintained student classrooms that meets its current or projected capacity needs of student enrollment.

To receive State grants for an eligible project, a school district is required to provide matching funds from a local source, which may often be proceeds from local general obligation bonds, developer fees, or the district’s general fund. The match amount differs according to project type—a new construction project requires a dollar-for-dollar local match (“50/50” program), while a modernization project requires a 60/40 local match (“60/40” program). While SFP funds for modernization and new construction are presently nearly exhausted, the program remains in effect.

Under the facility “modernization” program, funding eligibility is established separately for each school site. The principal determining factors are the age of facilities and the total pupil enrollment at each school. Permanent school facilities must be at least 25 years old and portable facilities at least 20 years old. Students must be enrolled in these facilities and loaded in classrooms at the State standard of 25 students per classroom for elementary grades and 27 students per classroom for middle school.

Under the “new construction” grant program, funding eligibility is determined by the gap between a school district’s current or projected enrollment and its permanent classroom capacity. (For purposes of eligibility,

portable classrooms are not considered by the State as available to permanently house students.) A key metric for establishing projected enrollment is projected housing development—additional houses built in a school district attendance area will usually generate additional students. Another common way to estimate future enrollment is by applying a statistical cohort-survival method to historical enrollment data. Eligibility is determined districtwide and may be used in whole or in part at any school site. A district with new construction eligibility may request funding that will cover 50% of the cost of new facilities as determined by the State, with the remaining 50% supplied by the district.

Between 2001 – 2004, the District received approximately \$10.6 million in modernization grant funding from the State. A recent review of the District’s current modernization eligibility indicates some remaining grant eligibility at Sierra Vista Elementary of \$205,996 and at Walnut Elementary of \$26,942, for a combined total of \$232,938.

Between 2002 – 2004, the District also received approximately \$4 million in new construction grant funding from the State. Regarding new construction eligibility, the District is not expected to qualify for those grants in the foreseeable future, given that it has significantly more capacity by State standards than its enrollment requires. The District currently has a negative (-713 pupil grants) new construction eligibility at the K-6 grade levels and zero eligibility at the 7-8 grade levels. This negative number may have occurred if the District applied for and received new construction eligibility for a new development but that development did not occur or the actual children anticipated from that development did not enroll at the District. The negative number may also be a direct result of declining enrollment.

The District May 2014 School Fee Justification Study stated that the District currently has a surplus in capacity at the elementary and middle school levels of 953 seats (pursuant to October 2013 enrollment data of 5,149). As discussed in the earlier capacity Section 2.4, assuming the District’s current (FY2014-15) total enrollment of 5,017, this surplus has increased to 1,085 seats. The School Fee Justification Study’s growth projection also showed only a projection of 43 new students over the next ten years. CFW expects that District enrollments will continue to experience declines over the next five years with slight increases commencing in 2021. Even with the projected housing units provided from recent contact with the planning departments at City of La Habra, City of Fullerton, and City of Brea, the new development would not significantly impact the negative eligibility in the near future.

Overall, State modernization grants should be garnered as a valuable source of facility funding in the future but should not be counted as a funding source for Phase II. Should the funds become available during Phase II, the funds could serve to enhance the program.

2.6 CONCLUSIONS

An update to demographic, enrollment, and capacity figures helps to confirm original Implementation Plan assumptions as to the District’s classroom and facility needs. Current enrollments help determine loading standards for classrooms at a school site and a school’s capacity to house students. Indeed, the capacity of the District’s school sites to meet its current and anticipated student housing needs warrant the very same conclusion made by the 2012 Implementation Plan:

“It is very unlikely that the District will experience enrollment increases that will test either local or state capacity standards...and current and future enrolment should be adequately served through upgrades to existing facilities rather than construction of new buildings or sites.”

An update to the enrollment projections contained in the 2012 Implementation Plan indicated that the projections were very close to actual experience, though student enrollments have in fact been very slightly higher than anticipated. As such, the Implementation Plan's hypothesis that facilities and technology improvements would begin to mitigate enrollment declines has now borne fruit, suggesting that continued focus on targeted improvements is warranted.

In order to address the negative new construction State Aid eligibility, the District must present to the State Office of Public School Construction approved Tract maps of the new proposed developments and a recalculation of eligibility can be done to determine if the District has sufficient new construction eligibility being generated by the new developments to erase the current negative number. The District may consider options to reassign existing spaces to address the surplus capacity. These options may include the elimination of portables facilities in tandem with the conversion of existing permanent classrooms spaces into non-classroom and support uses.

SECTION 3:

PHASE II PROGRAM IMPLEMENTATION

The 2012 Facilities Assessment and Implementation Plan anticipated the following Phase II priorities:

- Improvements to Walnut, Las Positas, and Sierra Vista Elementary Schools
- A dedicated funding source to refresh and expand the technology program
- A dedicated funding source to continue improved energy efficiency and deferred maintenance
- A Program Reserve

The Plan estimated that with conservative growth in the District’s Assessed Valuation and steady inflation of project costs, it would be possible to fund the required \$5.6 million toward the above projects beginning in FY 2017.

This section examines the proposed projects for Phase II and then provides a review of the District’s current ability to immediately finance the majority of these projects with remaining Measure “O” bond authorization. Finally, a proposed sources and uses plan is provided illustrating the District’s ability to accelerate a portion of Phase II implementation.

3.1 PHASE II OVERVIEW

The 2012 Facilities Assessment and Implementation Plan provided improvement strategies to address each District school site over time. Phase I improvements focused on addressing academy level needs at the 6-8 middle schools, while Phase II was planned to address grades 3-5, with the K-2 campuses being addressed in the final implementation phases. Various characteristics of the grade 3-5 school sites were considered in pursuit of a Phase II implementation strategy, particularly with regard to which, if any, of these sites warranted acceleration of work; generally it was found that Walnut Elementary presents the greatest immediate need for facility improvement:

- Unlike Sierra Vista or Las Positas, Walnut did not receive new classroom facilities during the Measure “K” modernization (2001-05).
- Walnut’s original buildings are also the oldest of the 3-5 sites. Currently, Walnut Elementary serves the greatest number of students at the 3-5 level, with a 2014-15 enrollment of 558.
- Walnut is also the only Grade 3-5 site with its Library not housed in a permanent facility.
- Available API data from 2012-13, showed slower score gains for Walnut compared to the other 3-5 grade level schools.

Given the age, condition, and lack of new or modernized facilities at Walnut Elementary, a recent review of the campus was conducted to assess Implementation Plan findings. The October 2014 assessment indicated that originally proposed improvements identified in 2012 continue to warrant attention. Moreover, immediate improvements would serve to meet the District’s goal to increase student achievement and target enrollment growth through facilities upgrades that enable innovative educational programs. A major component of the planned improvements at Walnut Elementary includes the reconfiguration of existing spaces to better accommodate 21st century needs.

To support these 21st century improvement goals, Phase II contemplates a next step in continuing the technology program with additional iPad deployments throughout the District based on the success and impact of the Phase I technology program. As such, a dedicated funding source should be provided to refresh technology improvements.

Like Phase I, Phase II also seeks opportunities to provide energy efficiency and deferred maintenance improvements. This may include upgrades that seek to reduce daily operating costs by replacing less efficient lighting, windows, and aging heating, ventilation, and air conditioning (HVAC) systems that have reached the end of their useful life.

Lastly, the 2012 implementation plan considered a program reserve for every phase to accommodate program changes, unknowns, or unexpected cost increases; likewise, a sufficient reserve for Phase II has been recommended as part of this 2015 update.

3.1.1 WALNUT ELEMENTARY SCHOOL

Given the need to address improvements at Walnut Elementary as the first site of work in Phase II, the District’s consultant team, including its program manager, construction manager, and architect, conducted an updated assessment of the site on October 2, 2014. Findings from this assessment are provided in the following subsections.

EXISTING CONDITIONS

Classrooms: The classrooms in the site’s main classroom wings share the same general characteristics. Finishes and Cabinetry are in fair to poor condition. Much of the interior needs patching/repair and a new coat of paint. The floors are primarily composed of carpet that is in need of replacement. Casework, markerboards, ceilings, and paint are dated and show signs of aging including original wood framing around the markerboards. Furniture typically consists of aging one, two, and three student “table style” desks with individual chairs.



Casework can be found on three of the four walls which create a functional learning space that is limited to approximately 760 square feet in size while the same classroom would measure approximately 960 square feet in size from wall to wall. This loss of functional space produces a more congested room where it is difficult to walk around desks and other furniture to work with students.

The window system glazing is generally in fair condition, however many of the individual pieces have been replaced over time and no longer match those next to them. Window treatments typically consist of large mini-blinds that show signs of wear and tear and require replacement. The window treatments are not all functioning effectively as additional books shelves and other furniture stacked on top of casework often blocks the mini-blinds from dropping completely to the base of some windows.



Teaching walls in the rooms are equipped with chalkboards instead of the more common markerboards. Projection screens are older, manual systems mounted to the case work and pulled down when needed. They are small in size and often located directly across from windows making the viewing of teaching materials more difficult as the natural light conflicts.

The door hardware is in fair condition but lacks panic hardware or updated closer devices. The number of electrical power and data outlets is appropriate for a standard classroom space. Additional electrical is a consideration depending on requirements for tablets in the future. Lighting systems in the classrooms are functional, but dated and new lighting would improve the classroom learning environment. Sinks can be found in many of the rooms and should remain intact as they appear to be in fair condition.

The exterior of the classroom buildings is composed of brick walls and window systems without much use of stucco. The window system glazing on the outside of the buildings also demonstrates a mismatch of panels that have been replaced over time. The paint on the window framing is in poor condition and requires sanding and refinishing, while the brick surfaces appear in good condition.

Roof mounted HVAC units appear to be functional but are showing significant signs of age with rusted housings and fittings.

The following subsections detail features or uses that are unique to individual buildings or rooms, as well as photographs of typical classrooms or learning spaces in these buildings or rooms.

Library: The library is located in a portable building and would better serve the teachers and students if it were moved to a permanent space where 21st Century learning tools would be incorporated alongside books in a more modern environment.

Office: The Administration area consists of office spaces located in a building near the main parking lot and a multipurpose room located in the building adjacent to the office, which is also connected with the Kitchen.

Multipurpose Room: The multipurpose room’s finishes are in good condition. The floors are comprised of VCT and show two seams where the foundation has shifted causing the tiles to buckle. This condition can be repaired by removing a series of tiles, making the necessary repairs and then replacing those tiles again. Beyond the seam issue, the floors are very clean. The lighting and paint in the multipurpose room have been updated and appear in excellent condition. Technology available includes a projection system and pull down screen. Speakers are mounted on one side of the room adjacent to either side of a single markerboard. Door hardware appears to be in aged but fair condition.



Food Service/Lunch Shelter: The Kitchen is connected to the multipurpose room, but also has an exterior serving window for students to receive their meals. The exterior lunch shelter has several issues that need attention:

- The serving window was originally designed at too high a height for elementary school students to utilize. To address this, a ramp was formed in front of the window. This ramp does not currently meet any of the required ADA (American’s with Disabilities Act) standards. The aisle is too narrow to access the ramp, the ramp has too great a slope, and the landing at the top of the ramp is not large enough.



- The slope of the foundation under the lunch tables appears to direct water toward the building instead of away from it. This could lead to water penetration problems along the foundation in the future.
- The foundation of the lunch shelter has created a storm water flow problem. The water travels down between the classroom buildings toward the shelter, but when it reaches the foundation it is not provided drainage or a “path-of-travel” to redirect it around the kitchen/multipurpose room building.

Bathrooms: The finishes and fixtures in the bathroom facilities are similar in nature and typically in clean, but poor condition. The tile walls and floors have many cracked panels or patched pieces and the patterns often do not match on the walls or the floors. The walls show signs of wear with multiple coats of paint that are cracking or

peeling. The partition walls have been recently replaced with modern materials that resist graffiti and vandalism. Ceiling tiles show significant signs of moisture damage and appear to be close to falling off in some instances.



Portables: The portable buildings on campus are similar in furnishing and fixtures to the standard portable classrooms found on most campuses across the state. No significant repairs or upgrades are necessary in these buildings currently.



Circulation: The narrow street, Walnut Avenue, in front of the school presents a challenge for parents and teachers when students are being dropped picked up and dropped off. A full row of parking spaces sits nearest the street and approximately two traffic lanes of space can be found between the parking spaces and the curb leading toward the campus. Reorganizing the pickup and drop off strategy could eliminate much of the congestion. Additional parking space could be provided in the field north of the current parking lot. The fields are significantly oversized for their current use and the additional parking would not conflict with physical education space. If this parking were provided, one solution for the traffic congestion could include removing the parking from in front of the campus and creating a space that is three traffic lanes wide. The appropriate traffic striping could be provided for those waiting and at either curb with a center lane remaining unimpeded so that vehicles could pull out and travel to the exit when they are ready. Additional signage and proper crossings should be considered with the City to create a safe crosswalk for students leaving the campus by foot that would not conflict with the automobile traffic exiting at the same time.

RECOMMENDED IMPROVEMENTS

Existing conditions at Walnut Elementary School remain in generally similar condition as was found in the 2012 plan. Recommended improvements include the reconfiguration of existing spaces and addresses campuswide needs to better accommodate 21st century learning and improve academic achievement by enabling innovative educational programs:



1. Site Improvements and Upgrades

A total of 19 permanent classrooms in the 4 permanent wings will be improved, as well as attached support spaces and restrooms. Improved interior learning environments are proposed including the removal of aging and bulky classroom casework to expand flexible space, the replacement of flooring, lighting fixtures, windows, or HVAC units where required, and repainting/retiling of restroom facilities. The library may be improved by relocation to permanent space and conversion to a Student Information Center. Other potential enhancements may include but are not limited to parking reconfiguration and circulation upgrades, building exterior improvements, and lighting or security upgrades.

2. 21st Century Furniture, Fixtures, and Equipment to permanent classroom wings

New flexible and modern furnishings and AV equipment are proposed to support the District's efforts to establish 21st century learning environments including:

- Furniture:
 - Modern and flexible furnishings, in the form of modular tables and ergonomic chairs that can be easily reconfigured in the classroom as required
 - A new teaching station and a moveable multimedia presentation shuttle
- Fixtures:
 - Full-height, sliding markerboards that cover an entire wall of each room. These boards can be written on from floor to ceiling and when slid to the side will reveal storage closets with

the same capacity as existing cabinets and storage solutions currently in use. With magnets, mounting putty, or other removable adhesives, these boards can also be used to hang posters or other materials. On other walls, mineral fibercore tackable panels will be installed that maximize presentation space in the classroom and help mitigate acoustic reverberation

- Equipment:
 - Three broadband-connected high-definition video displays attached to hydraulic wall mounts for easy adjustment of the displays' viewing angle and height. These displays will allow students to view content from anywhere in the room and, through the use of media interface devices, project content from a computer or iPad device

3. Remediate Drainage

Improvements to remediate drainage issues are proposed to the lunch shelter area to address water flow and grading issues.

3.1.2 OTHER DISTRICT NEEDS

The 2012 plan originally contemplated beginning improvements under Phase II for Las Positas and Sierra Vista Elementary schools. These improvements are not recommended for acceleration at this time and would be addressed in the future, as originally planned. To continue the District's technology program, approximately \$1.1 million is recommended as a dedicated funding source. Lastly, a program reserve of approximately \$480,000 is provided to accommodate program changes, unknowns, or unexpected cost increases.

3.2 MEASURE "O" GO BOND FUNDING

In 2012, voters in the District approved \$31 million of new general obligation bond authorization (Measure "O"). Also in 2012, the District issued approximately \$6.5 million (Series A) in Measure "O" bonds, leaving approximately \$24.5 million in remaining authorization. [Table 9](#) provides a review of the District's ten year assessed valuation history. The analysis shows an average annual growth rate in assessed value of 3.69%. [Table 10](#) summarizes the District's assessed value, current amount of bonded indebtedness, and the District's remaining bonding capacity. In 2012, the District's bonding capacity was at approximately \$44.2 million, which has now increased to \$45.9 million.

In 2012, original assessed valuation growth assumptions assumed for 2012-13 was 1%, 2% for 2013-14, and 3% for 2014-15. Since 2012, actual historical assessed valuation growth as shown in [Table 9](#) showed similar results for 2012-13 and 2013-14 and an increase of over 3% for 2014-15. Given that the District's assessed valuation has grown faster than expected providing a larger tax base, this growth presents an opportunity to issue bonds sooner than expected.

Given the District's outstanding bonded indebtedness of approximately \$16.6 million and the District's assessed value of approximately \$5 billion, the District has an immediate bonding capacity today of approximately \$45.9 million. Given tax rates allowed under Measure "O" and proposed needs for Phase II, the District has the ability to generate approximately \$3.7 million today in a Series B bond funds. This would allow for the acceleration of the Phase II program.

CFW recently assisted the District to refinance its 2005 General Obligation Refunding Bonds. The refinancing process resulted in \$370,000 in taxpayer savings. CFW is currently assisting the District to issue Series B Bonds,

with an anticipated closing date of April 2015. CFW will present to the Board a strategy for the Series B bond issuance. Upon District direction to proceed, the necessary legal documents will be prepared to move the bond issuance forward.

TABLE 9: ASSESSED VALUATION HISTORY

Year	Secured	Unsecured	Total	% Change
2004-05	\$3,348,420,743	\$158,138,917	\$3,506,559,660	
2005-06	\$3,671,377,049	\$174,006,883	\$3,845,383,932	9.66%
2006-07	\$4,051,583,617	\$199,178,337	\$4,250,761,954	10.54%
2007-08	\$4,394,944,738	\$197,373,314	\$4,592,318,052	8.04%
2008-09	\$4,485,837,752	\$189,985,055	\$4,675,822,807	1.82%
2009-10	\$4,345,624,504	\$197,663,137	\$4,543,287,641	-2.83%
2010-11	\$4,332,392,025	\$199,407,199	\$4,531,799,224	-0.25%
2011-12	\$4,352,289,894	\$197,629,940	\$4,549,919,834	0.40%
2012-13	\$4,423,955,116	\$170,083,841	\$4,594,038,957	0.97%
2013-14	\$4,528,884,561	\$169,837,026	\$4,698,721,587	2.28%
2014-15	\$4,787,822,156	\$207,419,911	\$4,995,242,067	6.31%
			Average	3.69%

Source: California Municipal Statistics, Inc.

TABLE 10: DISTRICT BONDING CAPACITY

BONDING CAPACITY ANALYSIS	
Fiscal Year 2014-15	
ASSESSED VALUATION	
Secured Assessed Valuation	\$4,787,822,156
Unsecured Assessed Valuation	\$207,419,911
DEBT LIMITATION	
Total Assessed Valuation	\$4,995,242,067
Applicable Bond Debt Limit	1.25%
Overall Bonding Capacity	\$62,440,526
Outstanding Bonded Indebtedness	\$16,566,360
NET BONDING CAPACITY	\$45,874,166
% of Capacity Currently Used	26.53%

3.3 PHASE II FINANCING PLAN

Table 12 provides an overview of the projected sources and uses for implementation Phase II should the District elect to immediately issue a next series of bonds. Project categories shown are based on those from the 2012 plan for Walnut Elementary School. In October 2014, CFW conducted a site walk at Walnut Elementary and further confirmed that these original projects remain feasible and relevant today.

The proposed acceleration of Phase II contemplates a \$3.7 million program to immediately fund improvements to Walnut Elementary School. Phase II also proposes a dedicated funding source to continue technology deployments/improvements and provides for a program reserve equal to 15% of the projected costs to account for

unforeseen conditions or changes in scope. Remaining improvement needs identified for Las Positas and Sierra Vista elementary schools would be addressed in a future phase.

Today, approximately \$3.7 million in GO bond dollars may be issued to immediately fund the majority of the originally planned Phase II program.

TABLE 12: PROJECTED PHASE II SOURCES AND USES

Estimated Sources	Est. Amount	Total
GO Bond (Measure "O")		
Series B (2015)	\$3,700,000	
<i>Total</i>		\$3,700,000
Total Estimated Sources		\$3,700,000
Estimated Uses	Est. Amount	Total
Walnut Elementary School		
Site improvements and upgrades	\$980,188	
21st Century Furnishings, Fixtures, & Equipment in 4 permanent classroom wings (19 CRs)	\$1,007,505	
Remediate lunch area drainage	\$103,020	
<i>Total</i>		\$2,090,712
Districtwide		
Technology	\$1,126,679	
<i>Total</i>		\$1,126,679
Program Reserve	\$482,609	
<i>Total</i>		\$482,609
Total Estimated Uses		\$3,700,000

3.4 RECOMMENDATIONS

It is recommended that the District approve and adopt this Update to the Implementation Plan and proceed with the following implementation action steps:

- Recommended facility improvements as contained within the 2012 Implementation Plan, including the upgrades noted for Walnut Elementary School
- Continued technology enhancements to support proposed 21st Century learning environments and technology integration
- Proposed plan of finance, including the issuance of the next series of bonds to accelerate implementation of the Phase II program.

Upon District direction to proceed, the necessary legal documents may be prepared to move the bond issuance forward. CFW anticipates a bond issuance process could be achieved within a 30-45 day period.

Thereafter, the District will need to proceed with the proposed Walnut improvement program in concert with the planning, design and construction program nearing completion for Phase I. The program will need to be coordinated to monitor progress, quality, and performance. The goal of the program will be to promote the proposed plan and stay within budget, timeline and phasing in order to meet the stated goals of the District.

This will also mean going through the regulatory and environmental review process, submittal of State grant applications, and the need to comply with all federal, State and local regulations, including the review of all projects by required State agencies. Under the scope of its agreements, the Program Manager will continue to examine ways of optimizing the use of State grants and bonds to fund the projects as the process continues. This will need to be coordinated with the implementation of the overall program, project budgets and master phasing of improvements. Ongoing team coordination will improve efficiency and optimize the opportunity for success by avoiding potential problems during program implementation.