

AGENDA FOR
BOARD FACILITIES WORKSHOP
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
BOARD OF TRUSTEES

Tuesday, April 4, 2006 San Dieguito District Office Conference/Board Room
4:00 p.m. 710 Encinitas Blvd., Encinitas CA 92024

A Special Board Facilities Workshop of the Governing Board of the San Dieguito Union High School District has been called for on Thursday, April 4, 2006.

DATE: Tuesday, April 4, 2006

PLACE: San Dieguito Union High School District
District Office Conference/Board Room
710 Encinitas Boulevard
Encinitas, CA 92024

TIME: 4:00 p.m.

Items to be transacted will be limited to the following:

INFORMATION ITEMS

1. Basic Aid Presentation
2. Davis Demographic Enrollment Update
3. Proposed Refunding Plan of 1998 & 2004 Mello Roos Bonds
4. Adjournment

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: March 28, 2006

BOARD MEETING DATE: April 4, 2006

PREPARED BY: Eric J. Hall ^{EJH}
Associate Superintendent, Business

SUBMITTED BY: Peggy Lynch, Ed.D.
Superintendent

SUBJECT: Basic Aid Presentation

EXECUTIVE SUMMARY

The administration will be making a PowerPoint presentation at the April 4, 2006 Board meeting entitled "Approaching Basic Aid". Staff is currently researching and preparing data from the State Department of Education, County Office of Education and various other agencies to be included in the final presentation. Copies of the presentation will be distributed at the Board meeting.

EJH/jr


San Dieguito Union High School District

INFORMATION FOR BOARD OF TRUSTEES

TO: BOARD OF TRUSTEES

DATE OF REPORT: March 27, 2006

BOARD MEETING DATE: April 4, 2006

PREPARED BY: John Addleman, Facilities Planning Analyst
Steve Ma, Exec. Director of Business Services 
Eric J. Hall, Assoc. Supt. of Business Services

SUBMITTED BY: Peggy Lynch, Ed.D.
Superintendent

SUBJECT: Davis Demographics & Planning, Inc. /
Fall 2005/2006 Demographic Report

Davis Demographics & Planning (DDP) has completed their seven-year enrollment projection for the District. In developing these projections, DDP analyzed birthrate trends, student mobility factors, and planned residential development. Staff has reviewed DDP's projection assumptions used over the past five years. While there has been some variability of birthrate trends and student mobility, the projections of future residential development has changed significantly. In the last few years, developers have reduced or extended their projections because of discretionary approval timelines and other market forces. This has reduced the projected growth rate in enrollment for the foreseeable future.

In reviewing DDP's new projection, the District enrollment is expected to show signs of a significant decreased rate of growth. The following table shows historic enrollment data combined with DDP's latest projection.

AGENDA ITEM: 2

Year	Enrollment (Actual)	Enrollment (Proj.)	Number	% Change
2000-01	10,421		456	4.58%
2001-02	10,930		509	4.88
2002-03	11,302		372	3.40
2003-04	11,689		387	3.42
2004-05	11,926		237	2.03
2005-06	12,222		296	2.48
2006-07		12,275	53	0.43
2007-08		12,297	22	0.18
2008-09		12,306	9	0.07
2009-10		12,471	165	1.34
2010-11		12,437	(34)	-0.27
2011-12		12,529	92	0.74

It should be noted that actual enrollment includes inter-district transfers. DDP's projected enrollment does not. The slowing growth trends are a countywide phenomenon. Neighboring districts, which have historically provided our district with new inter-district transfer students, are also feeling the slow down in growth. This has resulted in at least one district taking a very restrictive policy towards releasing their students to attend other districts. We should not expect the continued large influx of inter-district transfers as we have experienced in the past.

DDP's current enrollment projection suggests very modest growth for the next seven years. The majority of the growth is expected to occur at the high school level. The Torrey Pines High School and Carmel Valley Middle School attendance areas should experience some growth in the near term, while all other attendance areas are expected to flatten or decline.

Attached are a number of exhibits showing the projections. A full copy of the report is available for review in the Facilities Planning Department.

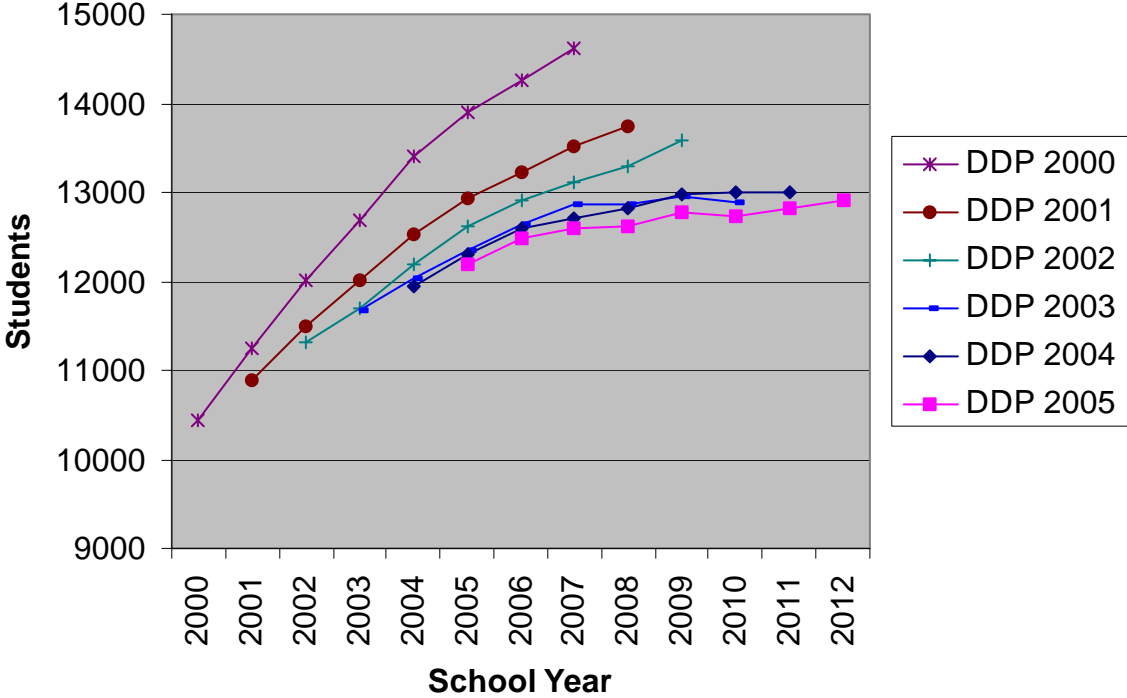
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
 ddp05vs04 ENROLLMENT PROJECTION
 Source: DDP 03/23/06

DDP ANALYSIS 2005-2006

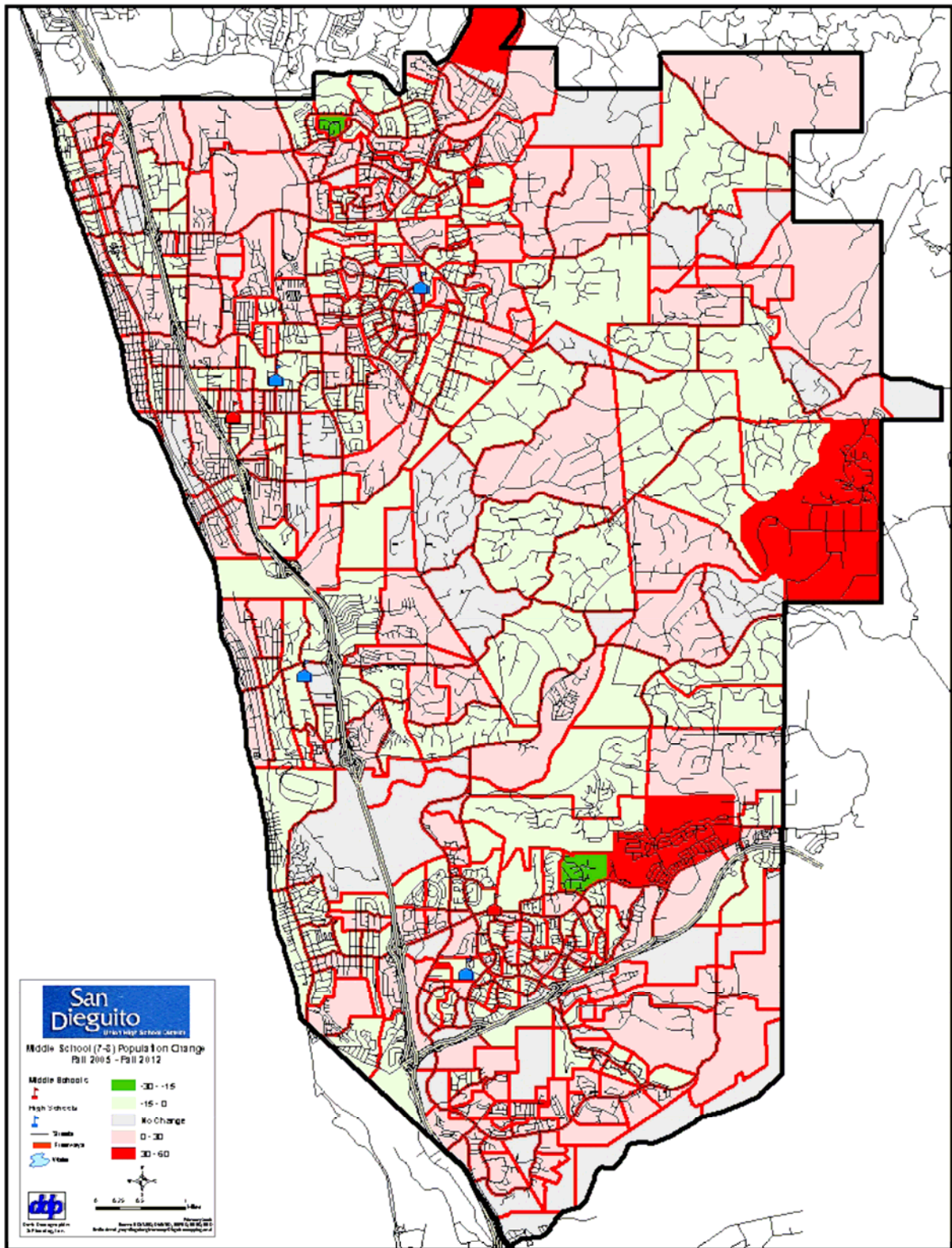
	Inter Dist. Transfers	CBEDS Oct-05	2006	2007	2008	2009	2010	2011	2012	Maturity 03 Maturity 99
LCC Attendance Area										
Oak Crest MS <i>ddp 2004 estimate</i>	36	985	858 892	896 926	972 1,003	1,002 1,037	964 989	913 942	962	1,167 1,186
Diegueno MS <i>ddp 2004 estimate</i>	18	962	950 966	977 992	984 1,004	962 987	958 994	941 969	970	1,193 1,089
Total Middle School		1,947	1,808 1,858	1,873 1,918	1,956 2,007	1,964 2,024	1,922 1,983	1,854 1,911	1,932	2,360 2,275
La Costa Canyon HS <i>ddp 2004 estimate</i>	163	2,673	2,592 2,621	2,451 2,513	2,335 2,398	2,376 2,424	2,359 2,418	2,420 2,466	2,442	3,428 3,122
Total	217	4,620	4,400 4,479	4,324 4,431	4,291 4,405	4,340 4,448	4,281 4,401	4,274 4,377	4,374	5,788 5,397
TP Attendance Area										
Earl Warren MS <i>ddp 2004 estimate</i>	6	571	570 597	577 569	594 587	599 594	582 558	594 523	583	1,194 1,089
Carmel Valley MS <i>ddp 2004 estimate</i>	3	1,271	1,337 1,377	1,343 1,374	1,320 1,372	1,400 1,454	1,405 1,494	1,400 1,488	1,380	1,482 1,459
Total Middle School		1,842	1,907 1,974	1,920 1,943	1,914 1,959	1,999 2,048	1,987 2,052	1,994 2,011	1,963	2,676 2,558
Torrey Pines HS <i>ddp 2004 estimate</i>	18	3,133	2,871 2,932	2,603 2,736	2,651 2,836	2,682 2,863	2,719 2,944	2,811 3,010	2,826	3,388 5,463
Total	27	4,975	4,778 4,906	4,523 4,679	4,565 4,795	4,681 4,911	4,706 4,996	4,805 5,021	4,789	6,064 8,021
OTHER										
Canyon Crest Academy* <i>ddp 2004 estimate</i>	53	853	1,275 1,275	1,700 1,700	1,700 1,700	1,700 1,700	1,700 1,700	1,700 1,700	1,700	1,700 0
San Dieguito Academy <i>ddp 2004 estimate</i>	5	1,481	1,500 1,500	1,500 1,500	1,500 1,500	1,500 1,500	1,500 1,500	1,500 1,500	1,500	1,475 1,450
NCA / Sunset <i>ddp 2004 estimate</i>	8	261	250 282	250 282	250 282	250 282	250 282	250 282	250	370 370
Total	66	2,595	3,025 3,057	3,450 3,482	3,450 3,482	3,450 3,482	3,450 3,482	3,450 3,482	3,450	3,545 1,820
TOTAL - DISTRICT**	310	12,190	12,203 12,442	12,297 12,592	12,306 12,682	12,471 12,841	12,437 12,879	12,529 12,880	12,613	15,397 15,238
<i>Difference between 04 vs. 05</i>			-239	-295	-376	-370	-442	-351		

*At Canyon Crest Academy, 425 students were added each year going forward until its current capacity of 1700 is reached. **Davis Demographic estimates include neither interdistrict transfers, intradistrict transfers, nor special ed students.

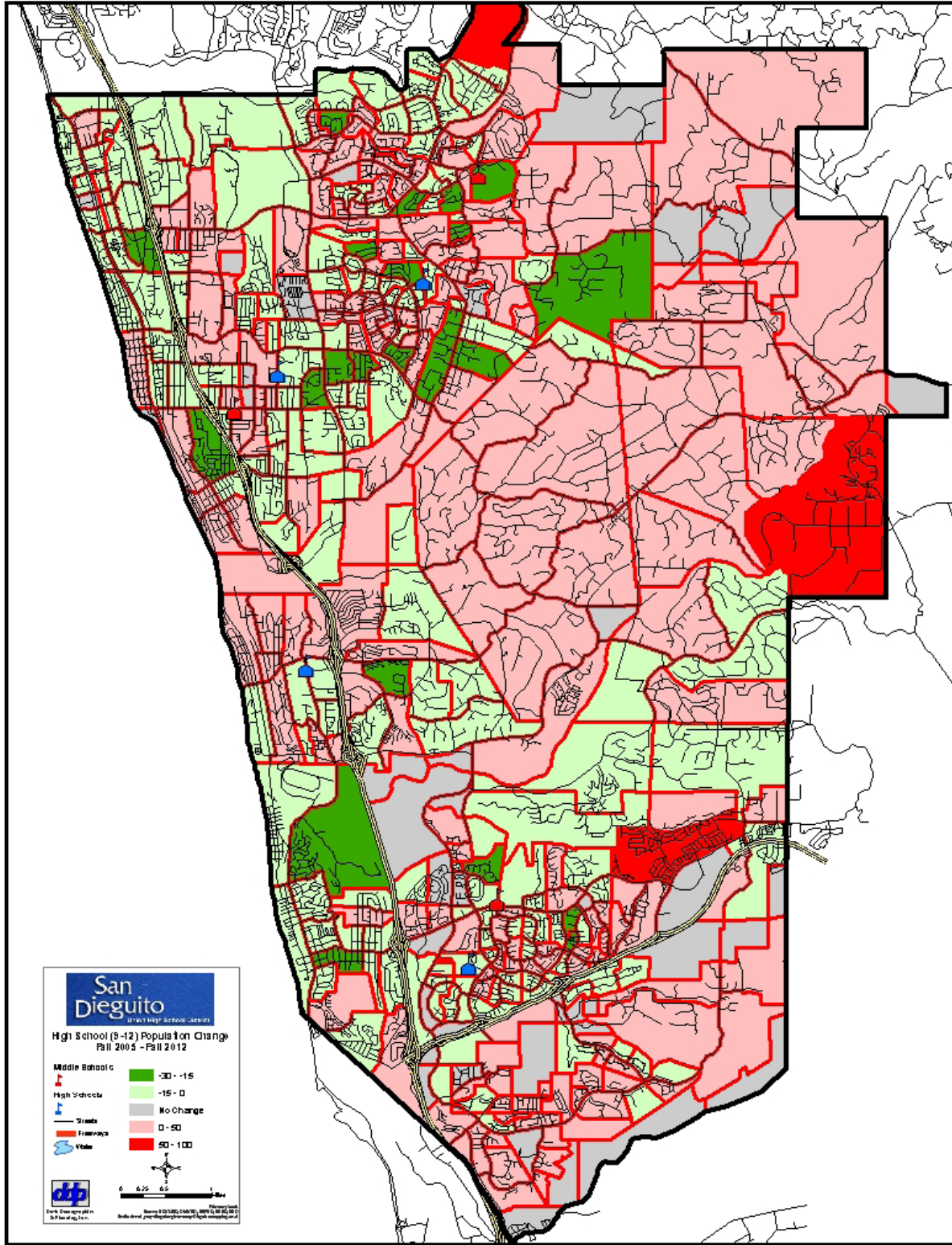
District Wide Comparison Davis Demographics Studies 2000-2005



Middle School Population Change 2005-2012



High School Population Change 2005-2012




San Dieguito Union High School District

INFORMATION FOR BOARD OF TRUSTEES

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PREPARED BY: John Addleman, Facilities Planning Analyst
Steve Ma, Exec. Director of Business Services
Eric J. Hall, Assoc. Supt. of Business Services 

SUBMITTED BY: Peggy Lynch, Ed.D.
Superintendent

SUBJECT: Proposed Bond Refunding

Staff has been working with Morgan Stanley, Bond Logistics, and O'Melveny & Myers to explore financing options to refund the 1998 and 2004 Mello Roos bonds. This has been prompted by the slowing housing market and declining building permit activity. While the 1998 bonds met projections and all proceeds were released from escrow, \$18 million are still locked in escrow for the 2004 bond. The \$18 million can be released only if special tax revenue (permits) supports certain coverage tests. For 2006, staff estimates that actual permit activity will only achieve 72% of the projected revenue as set forth in the 2004 bond proforma. Recent housing data suggests that housing activity (sales and new construction) in the foreseeable future will be less than what the region experienced in the past five years. If this occurs, the remaining funds in escrow will be released at a much slower pace than anticipated. To compound the situation, the 2004 bond is structured such that any bond proceeds still in escrow after February 2009 will be used to call the bonds. In other words, these bond proceeds would not be available to the District to expend on facilities once the escrow is collapsed in February 2009. Preliminary estimates by staff and the bond team suggest that \$2 million would be used to call outstanding bonds if no refunding occurred.

In past facility workshops, staff has discussed a number of projects with the board that could be considered. These include the following:

- Building H at CCA for which the District received funds from the State through the “use of grant” program.
- Completion of the permanent field improvements at CCA.
- Acquisition of land and construction of a new middle school in Pacific Highlands Ranch
- Modernization of Earl Warren Middle School
- Construction of Performing Arts Center at San Dieguito Academy
- Construction of new science quad and the removal of the 130s, 140s and 150s at SDA

Should the District move forward on the bond refunding, tax counsel will want a project list identifying costs and timeable. This project list could include those identified above or others not previously discussed. The board must represent to tax counsel that the District “reasonably” expects to use these funds on projects within three years of the issuance. The bond team does not expect any extraordinary call provision in the new issuance. Therefore, if not all the bond proceeds are spent within three years, the remaining funds would only be “yield restricted “. This means the District would be prohibited from securing an interest return on the unspent proceeds greater than the interest rate on the bonds.

Clearly, the \$18 million in the 2004 escrow could not build out all the projects listed above. These funds would need to be combined with State eligibility, other capital facility funds, such as 18 and 19, and any revenues generated from asset management. It should be noted that our current bond projections do not account for any dwellings beyond the 1,900 cap imposed on Pacific Highlands Ranch. Once this cap is lifted, Pardee and other developers can build another 3,100 dwelling units. These additional units should support another bond issue in the future. These units cannot be recognized at the current time, because of their speculative nature and the fact that they fall outside any plausible escrow window as dictated by the tax code. Finally, any refunding of the 1998 and 2004 bonds will continue to require the board annually to covenant that those bonds that are used on 94-2 qualified facilities are in proportion to the special tax revenue generated by CFD 94-2.