

Facilities Needs at Owens Valley Schools & Measure L: Frequently Asked Questions

OVUSD was formed more than 70 years ago, and our current campus was largely built in 1947 for the elementary school, with the addition of the high school in 1967. In 2005, more than 55% of you supported our District and approved Measure B, a \$2.6 million bond which allowed the District to obtain more than \$1 million in matching funds from the State, build our multipurpose room, complete some repairs and improvements, and make the campus something our community can be proud of. We have since refunded those bonds, saving taxpayers more than \$225,000, and continued to maintain our campus over the last decade – but many of our classrooms and facilities are old and need further repairs and upgrades. In addition, there are other projects that could help us improve the educational experience we provide to our students and reduce our operating expenses to put more money back in the classroom. So, we have been working hard to understand just what our remaining needs are as well as how we can meet them. Last year, an architect reviewed our campus, and the resulting facilities assessment, cost estimates and other related information can be viewed at the District Office or on our website: www.ovusd.org

How much would the improvements cost and how can the District pay for them?

Remaining OVUSD facilities needs are estimated to cost approximately \$6.6 million, more than we will be able to obtain from any single source of funding. So, the Board evaluated all potential options, including more from our own operating budget, additional State matching funds, and a local investment in the form of a general obligation bond measure – and after research, discussion and input from the community, unanimously decided to place Measure L on the June ballot.

What is Measure L and what would it do for Owens Valley schools?

Measure L is a \$4.8 million General Obligation bond that could meet many of our critical facilities needs, including:

- Make student safety and security improvements
- Repair old buildings and outdated infrastructure
- Renovate and upgrade classrooms
- Improve energy efficiency, reducing operating costs

What are General Obligation (GO) bonds?

GO bonds have funded a significant portion of school construction projects in Inyo County and throughout the State, and can help communities qualify for State matching funds. The source of repayment for GO bonds is a tax on all taxable property – residential, commercial, agricultural, and industrial – located within District boundaries.

What would Measure L cost me?

The projected annual tax rate for Measure L is \$60 per \$100,000 of assessed (or taxable) property value. Assessed values are typically lower than market value, due to Prop. 13 limits. The current average assessed value for single family homes in OVUSD is \$130,991, so the average homeowner would pay approximately \$78.60 annually for Measure L.

How long would we have to pay that amount?

Like a home mortgage, Measure L bonds would be repaid over approximately 30 years.

How much will the total repayment cost be?

Measure L is projected to cost approximately \$9.4 million – a repayment ratio of less than 2 to 1, similar to a typical home mortgage – though the exact amount will be determined at the time of issuance based on many factors (tax rate, market conditions, etc.). However, the total amount repaid by local taxpayers is expected to be considerably less, as LADWP owns the vast majority of the District's secured taxable property value (currently 88.3%).



Facilities Needs at Owens Valley Schools & Measure L: Frequently Asked Questions

How can we make sure Measure L is responsible?

Understanding many of the concerns that have been raised about other school bond measures, Measure L has binding rules, restraints and commitments. These include prohibiting capital appreciation bonds (CABs) and setting a maximum repayment ratio of 2.5 to 1 (\$2.50 to every dollar borrowed) for all Measure L bonds.

Are there additional safeguards for taxpayers?

Like with Measure B, State law requires an independent citizens' oversight committee and annual audits to ensure that Measure L proceeds are only spent on voter-approved projects improving classrooms and facilities in OVUSD.

What about other money from the State?

As a "Basic Aid" district, most of our annual operating funding comes directly from the Prop. 13 annual 1% in local property taxes, not from Sacramento. While our local funding has been a tremendous asset and helped us maintain our campus over the years, including during the recession, there is also considerable unpredictability in receiving funding this way, demanding that we maintain as much of a reserve as possible. Also, even as a Basic Aid district, annual funding for education in California is generally used for classroom activities and does not typically provide us with additional funds for more significant facilities projects. Furthermore, the District has already worked to gain as much State facilities funding as possible over the years (more than \$1 million since 2005) and will continue to do so – but any additional State facilities dollars for OVUSD schools are not expected to arrive for some years, if at all. We will continue to seek additional funds wherever they are available, but are now asking for a local investment to meet our most critical facilities needs.

What about all the other local taxes?

We are fortunate that residents of Independence value local public institutions, including OVUSD schools and the Southern Inyo Hospital, and we understand that local property owners already invest in both. For OVUSD's existing bond, the current rate is \$41.13 per \$100,000 of taxable value, and those bonds were refinanced in 2014, saving taxpayers over \$225,000. For Southern Inyo Hospital's 2005 parcel tax, the flat rate is \$150 per year for single family homes (with some variation for other types of property). Of note, unlike the uniform per parcel tax rate of a parcel tax, GO bonds are repaid proportionally to assessed value, allowing local taxpayers to benefit from the fact that LADWP currently owns 88.3% of the District's total secured taxable property value.

What if I can't afford to pay my property taxes?

The State Controller's Property Tax Postponement Program allows homeowners who are seniors, are blind, or have a disability to defer current-year property taxes on their principal residence if they meet certain criteria, including 40% equity in the home and an annual household income of \$35,500 or less. However, such postponed taxes must eventually be repaid, and are secured by a lien against the property. Additional information is available here: www.sco.ca.gov/ardtax_prop_tax_postponement.html

Who can vote on Measure L?

All of the registered voters in OVUSD can vote on Measure L. Election Day is Tuesday, June 5th, and Monday, May 21st is the last day to register to vote

What happens without Measure L?

Critical repairs and improvements will be further delayed or may not happen at all.

