



Fall 2017

Dear Neighbor,

Here at the Owens Valley Unified School District (OVUSD), nestled between the Eastern Sierras and White Mountain Ranges, we believe that balanced education provides an opportunity for students to be self-sufficient, active, productive, and responsible members of society. We are committed to providing students the tools to explore their potential, to take responsibility for their own learning, and to recognize that learning is a lifelong process. We provide a stimulating, secure, and imaginative environment which fosters learning, self-esteem, and independent thinking.

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 us to obtain more than \$1 million in matching funds from the State, build our multipurpose room, repair some of our roofs and infrastructure and make the campus something everyone 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, upgrades and modernization. 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, over the last few years, we have been working hard to understand just what our remaining needs are – as well as how we can meet them. Earlier this year, we learned about the potential funding options and over the summer, we selected an architect to review our entire campus and provide cost estimates. The resulting facilities assessment, cost estimates and other related information can be found on our website: [www.ovusd.org](http://www.ovusd.org)

To address much of what remains to be done, the Board is now considering a request for another local bond. But before we decide to go in that direction, we want input from as many of you as possible. In the coming weeks and months, we will be contacting you in a variety of ways, including public meetings, individual conversations and this letter with answers to the most frequently asked questions. We will also be conducting a volunteer poll, and we invite you to tour our campus on Tuesday, December 19<sup>th</sup>, 2017 at 10:00 am or on Thursday, January 11, 2017 at 10:00 am. Feel free to stay and join us for lunch at 11:30 each day.

Of course, please feel free to contact any of us or Superintendent Dan Moore at 878-2405 with any questions or to schedule another time to visit. We hope to hear from you soon, and thank you very much for your feedback.

Sincerely,

The Owens Valley School Board

## *Facilities Needs at Owens Valley Schools: Frequently Asked Questions*

### **Why is the Board considering another bond measure to improve Owens Valley schools?**

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, repair some of our roofs and infrastructure and make the campus something everyone 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, upgrades and modernization. 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, over the last few years, we have been working hard to understand just what our remaining needs are as well as how we can meet them. Early this year, we learned about potential funding options and over the summer, we selected an architect to review our entire campus and provide cost estimates. The Needs Assessment, cost estimates and other related information can be found on our website: [www.ovusd.org](http://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 continues to evaluate all potential options, including more from our own operating budget, State funds, potential contributions from our major stakeholders, philanthropy, grants and another local General Obligation bond measure.

### **What are General Obligation (GO) bonds?**

GO bonds have funded a significant portion of school construction projects throughout Inyo County and 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 a GO bond do for Owens Valley schools?**

Generally, improvements to Owens Valley schools would likely include:

- Basic repairs to old buildings and infrastructure on our campus
- Modernization of classrooms, particularly at the High School
- Student health and safety improvements, and ADA upgrades
- Solar installation and energy efficiency projects to reduce operating costs and put more money into the classroom

However, the District is currently seeking input from the community about potential projects to be funded by a bond, and the OVUSD Board will refine priorities based on your feedback.

### **How can we make sure a bond measure for Owens Valley schools is responsible?**

Understanding many of the concerns that have been raised about other school bond measures, the OVUSD Board plans to include binding rules, restraints and commitments within the ballot measure itself. Most importantly, specific priorities will be determined based on District needs and community input. These priorities will become our project list and determine how we spend your investment.

### **Will Capital Appreciation Bonds be included?**

No. The OVUSD Board will prohibit their use in the ballot measure.



**What about limits on interest rates?**

The OVUSD ballot measure will set a limit on interest rates at 8%. However, actual interest rates will be a reflection of the market when bonds are sold and may be considerably lower.

**How much would the OVUSD Board ask for?**

In addition to applying for State funds, negotiating with our major stakeholders and seeking all other available sources, the OVUSD Board is considering a bond measure for approximately \$5 million to meet our most critical needs and provide our local match for State Aid – but your input will shape what request is made, if any.

**What would a OVUSD bond cost me?**

The projected annual tax rate will be \$60 per \$100,000 of taxable value. Taxable values are typically lower than market value, due to Proposition 13 limits. Like the total bond amount, however, your input will shape the specific rate.

**How long would we have to pay that amount?**

Similar to a home loan, any OVUSD bonds would be repaid over approximately 30 years – but if the community would prefer, a maximum term for all the bonds could also be established within the ballot measure.

**How much will the total repayment cost be?**

The bond program the Board is currently considering for OVUSD schools is projected to cost \$10 million – a repayment ratio of 2 to 1, similar to a typical home mortgage – though the specific amount will be determined based on many of the other factors (tax rate, market conditions, etc.). In addition, the OVUSD Board plans to limit the total repayment ratio to no more than 2.5 to 1 in order to minimize the cost to taxpayers.

**Are there additional safeguards for taxpayers?**

State law requires an independent citizens' oversight committee and annual audits to ensure that GO bond proceeds are only spent on voter-approved projects improving classrooms and facilities in Owens Valley, and not used for administration or salaries. In addition and as previously noted, OVUSD will prohibit costly capital appreciation bonds also called "CABs", which compound interest, costing taxpayers more.

**What about Prop. 30 and all the other money from the State?**

While OVUSD sustained itself throughout the recession, voter approval of Prop. 30 in 2012 merely prevented additional State funding cuts. The new funding system, called the Local Control Funding Formula, has improved our operating budget and did help us make some necessary repairs – but annual California education funding is used for classroom activities and does not typically provide us with additional funds for facilities projects. OVUSD is actively working to gain as much State facilities funding as possible, but any State dollars for Owens Valley schools will probably not arrive for some years. We will continue to seek additional funds wherever they are available, but now we need a local investment to meet our most critical needs.

**Who could vote on the potential measure?**

All of the voters within OVUSD would be able to vote on a bond measure but, before the Board decides to call an election, we want to hear what everyone thinks, so we'll be reaching out to the community in a variety of ways.

**What happens without a new bond?**

If support for an OVUSD bond measure is strong, the Board will call an election; if not, the Board will not call an election and remaining improvements will be delayed.