



Division of Fiscal Services
Telephone (619) 691-5550
FAX (619) 425-3394

MEMORANDUM

DATE: November 12, 2015

TO: Karen Janney, Superintendent

FROM: Karen Michel, Chief Financial Officer *K. Michel*
Moises Aguirre, Assistant Superintendent of Business Services *Ma. Aguirre*

RE: SUPERINTENDENT'S UPDATE – Developer Fees & SOH Portables

The purpose of this memorandum is to provide you with information regarding Developer Fees and Southwest High School Portables.

California Education Code Section 17620(a)(1) authorizes the levying of developer fees for the purpose of funding the “construction or reconstruction of school facilities”. The term “school facility,” is defined as “any school-related consideration relating to a school district’s ability to accommodate enrollment.” (Gov. Code § 65995, subdiv. (e).). Both Finance and Facilities Staff have worked together with legal counsel to determine an eligible construction project for the revenue received from developer fees collected in FY 2014-2015. The following project was identified as eligible and necessary in order to create new capacity to accommodate enrollment:

At Southwest High School, 35 classrooms out of 92 total teaching stations are in portables that are at least 15 years old and up to 30 years old. The generally accepted life of a portable is 20 years (they are eligible for State Modernization funding at that age).

During evaluation of portables 901-903 (25 years old) in 2014-15 a number of potential structural issues were discovered. Because of the condition of the portables and because of leaking roofs, an indoor air quality test was performed on these rooms plus portables 701 and 707 (28 to 30 years old). Based on the results of these tests, staff has closed 701 and 901-904 and the site staff have been relocated to other classrooms. Room 902 was storage and a container has been placed on the site.

Because of the age of the portables, leaking roofs and windows, and HVAC equipment at the end of its useful life, the Maintenance and Planning and Construction departments recommend replacement of 16 portables: Portables 705-712 (1985), 901-904 (1987), and 913-916 (1990). Although Room 701 has been closed, it is part of a group of 4 portables that are worth repairing and maintaining. All other portables are less than 22 years old and will be maintained and monitored for the appropriate time to determine when they should be replaced.

The total budget recommended to replace the 16 portables is about \$2.0 million. The fund balance in the Capital Facilities Fund (Fund 25, Developer Fees) is about \$670,000 and because Developer Fees must be used to create new capacity on school campuses, staff recommends that this balance be dedicated to the SOH Portable Replacement project. This is possible because when classrooms are determined to be no longer usable the actual capacity of the school decreases and the addition of new portables provides new capacity. On November 18, 2015, Finance Staff will present the "2014-2015 Annual and Five-Year Report" to the Board of Trustees (in compliance with Government Code Sections 66006 and 66001). The Report will identify this project (Southwest High School Portable Classroom Construction) as the intended uses for the developer fees collected in FY 2014-2015 and future collections from FY 2015-2016 and 2016-2017.

A budget for modernizing portables 901-903 was approved by the Board of Trustees on March 30, 2015 (Item M-1, SOH Portable Modernization Project in Section 3). The additional funding necessary to complete this project will be placed on the comprehensive district-wide list of school needs that will be presented to the Board of Trustees in early 2016 as part of the Long Range Facilities Master Plan project prioritization process. If desired, the Board of Trustees may direct staff to use part of current program contingency funds in the County School Facilities Fund (Fund 35) which has a balance of about \$7.2 million to fund the remaining \$1.13 million in estimated project costs.

KM:MA

Attachment

