



Presentation on School Facilities
Folsom Cordova Unified School District

Folsom City Council Meeting
November 28, 2023

Presentation Overview

- Reorganization Feasibility Study
- Overview of District's School Facility Improvement Districts (SFID)
- SFID #3 - South of Highway 50 Developments
- Next Steps





Reorganization Feasibility Study

Reorganization – History and Current Status

- Folsom Cordova Unified School District (FCUSD) has had several attempts in the past to reorganize the District into two separate entities
 - 1994-1996 – An outside community organization submitted a petition that became Measure O which was put before voters in FCUSD to create a new district based upon the city of Folsom’s boundaries – 62% of the voters supported to keep the district intact
 - 2002 – FCUSD Board took action to submit petition to Sacramento County Office of Education (SCOE) Reorganization Committee. The petition was found by the committee to not meet the nine requirements. It was then submitted to State Board of Education (SBE). While being reviewed by SBE the Board took action in 2004 to rescind the petition and SBE agreed
- Schools Services of California has been hired to complete a feasibility study to determine if separating FCUSD into two will meet the nine statutory criteria
- The cities of Rancho Cordova and Folsom along with FCUSD are splitting the cost of the study
- The report by Schools Services of California will be presented to the FCUSD Board along with the cities of Folsom and Rancho Cordova in the first quarter of 2024
- The FCUSD Board or each city counsel will have the ability to continue the process of reorganization by submitting a petition to the Sacramento County Committee on Reorganization if they so choose
- If petition is submitted it would first be reviewed by the SCOE Reorganization Committee then to the State Board of Education, and finally to the voters withing FCUSD boundaries.
- Timeline for entire process to create separate districts can take approximately three to five years



Nine Statutory Criteria

- All the following conditions must be substantially met:

1 Adequate Number of Pupils

2 Community Identity

3 Equitable Division of Property and Facilities

4 Discrimination/Segregation

5 No Substantial Increase in State Costs

6 Sound Educational Program

7 No Substantial Increase in School Facilities Costs

8 Increased Property Values

9 Effect on Fiscal Status and Management

Reference: EC § 35753(a)





Overview of School Facility Improvement Districts (SFID)

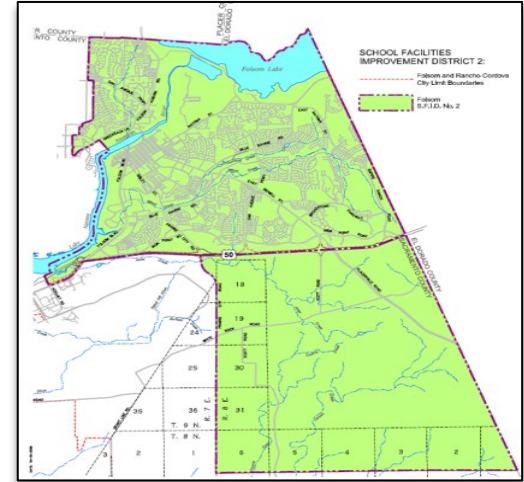
School Facility Improvement Districts (SFIDs)

- FCUSD has five separate School Facility Improvement Districts
 - SFIDs allow specific areas within a school district to be created for purposes of issuing general obligation bonds. Only those taxpayers within the SFID pay on the bonds issued.
- **SFID #1** – Created in 1998 based upon the attendance boundaries for Cordova High School
 - Two bond measures were passed – Measure V (1997) and Measure B (2002)
 - SFID is not actively being used as all proceeds have been spent. Debt service is to be paid off in 2029
- **SFID #2** – Created in 1998 based upon the attendance boundaries for Folsom High School
 - One bond measure was passed – Measure C (2002)
 - SFID is not actively being used as all proceeds have been spent. Debt service is to be paid off in 2029
- **SFID #3** – Created in 2006 based upon new development areas east of Sunrise Blvd. to El Dorado County line and south of Highway 50 to FCUSD boundary
 - One bond measure was passed – Measure M (2007)
- **SFID #4** – Created in 2006 based upon existing Rancho Cordova school boundaries
 - Two bond measures were passed – Measure N (2006) and Measure P (2012)
 - District is planning for a 2024 bond(s) to support existing facility needs
- **SFID #5** – Created in 2014 based upon existing Folsom school boundaries north of highway 50
 - One bond measure was passed – Measure G (2014)
 - District is planning for a 2026 bond to support existing facility needs



SFID #2

- Formation date: October 1998
- Located in eastern portion of District
 - Based upon the Folsom High School Boundaries at the time of creation
 - Includes nearly all of City of Folsom and unincorporated area of Sacramento County (territory east of Prairie City Road)
 - Encompasses about 50 square miles (52% of total District)
- SFID 2's boundaries overlap SFID 3's and SFID 5's boundaries
- Passed one GO Bond authorization
 - 2002 Measure C - \$53 million
 - 1999 Measure C & 2000 Measure M – Did not Pass
 - No Remaining Funds
- FY 2022-2023 AV: \$17.36 billion¹
 - 8.2% year over year increase
- FY 2022-2023 SFID 2 tax rate: \$21.70²
- Total remaining debt service: \$24.43 million³
- Final maturity: October 1, 2029



Date	Measure	Election Type	Authorization Amount	Voter Approval	Remaining Authorization
3/5/2002	C	Prop. 39	\$53,000,000	68.6%	N/A

Fiscal Year	Total Assessed Value ¹	YoY Change	Historical Tax Rate ² (per \$100,000 of AV)
2012-13	\$9,746,465,051	-2.1%	\$37.10
2013-14	\$10,210,988,329	4.8%	\$34.10
2014-15	\$10,950,587,690	7.2%	\$34.30
2015-16	\$11,371,472,056	3.8%	\$15.50
2016-17	\$11,898,422,255	4.6%	\$29.20
2017-18	\$12,518,953,981	5.2%	\$25.80
2018-19	\$13,320,452,296	6.4%	\$28.10
2019-20	\$14,155,315,687	6.3%	\$27.90
2020-21	\$15,094,282,534	6.6%	\$25.40
2021-22	\$16,038,504,417	6.3%	\$24.70
2022-23	\$17,358,818,763	8.2%	\$21.70

¹Source: California Municipal Statistic, Inc.

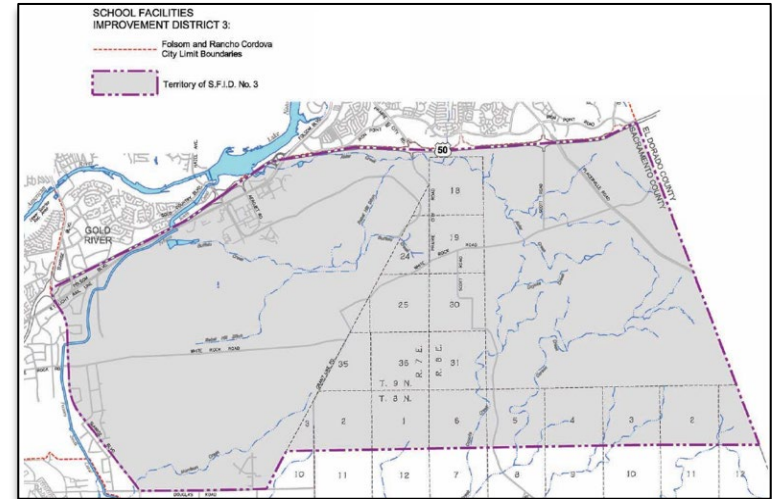
²Source: Sacramento County Auditor-Controller Tax Accounting Reports, Voter Approved Debt Rates for FY 2012-2013 thru FY 2022-2023.

³As of March 31, 2023.



SFID #3

- Formation date: June 2006
- Located south of Highway 50 to Douglas Boulevard and east of Sunrise Boulevard to Sacramento/El Dorado County boundary
 - Includes portion of City of Rancho Cordova, portion of City of Folsom, and adjacent unincorporated areas
 - Encompasses about 52.6 square miles (54.8% of total District)
- SFID 3's boundaries overlap SFID 1's (southeastern portion) and SFID 2's (southern portion) boundaries
- Based on projected growth in SFID 3, District's student population could nearly double in next 20-30 years¹
- Passed one GO Bond authorization
 - 2007 Measure M - \$750 million
 - 2006 Measure M did not pass
 - \$545.87 million in remaining authorization
- FY 2022-2023 AV: \$3.6 billion¹
 - 25.7% year over year increase
 - Accounts for 13.4% of District's total AV
- FY 2022-2023 SFID 3 tax rate: \$275.80³
- Total outstanding debt service: \$347.74 million⁴
 - Debt will increase with additional issuances of remaining authorization
 - Maturity of outstanding debt service: October 1, 2044



Date	Measure	Election Type	Authorization Amount	Voter Approval	Remaining Authorization
3/27/2007	M	Prop. 46	\$750,000,000	81.1%	\$545,866,144

Fiscal Year	Total Assessed Value ²	YoY Change	Historical Tax Rate ³ (per \$100,000 of AV)
2012-13	\$1,503,791,295	-3.2%	\$115.50
2013-14	\$1,537,321,440	2.2%	\$112.50
2014-15	\$1,496,042,567	-2.7%	\$122.90
2015-16	\$1,541,703,476	3.1%	\$112.90
2016-17	\$1,671,714,589	8.4%	\$125.90
2017-18	\$1,703,059,167	1.9%	\$187.80
2018-19	\$1,908,530,925	12.1%	\$145.10
2019-20	\$2,172,008,172	13.8%	\$136.60
2020-21	\$2,469,904,959	13.7%	\$206.50
2021-22	\$2,863,814,202	15.9%	\$388.10
2022-23	\$3,600,702,459	25.7%	\$275.80

¹Source: Folsom Cordova Unified School District Annual Report 2021-2022.

²Source: California Municipal Statistic, Inc.

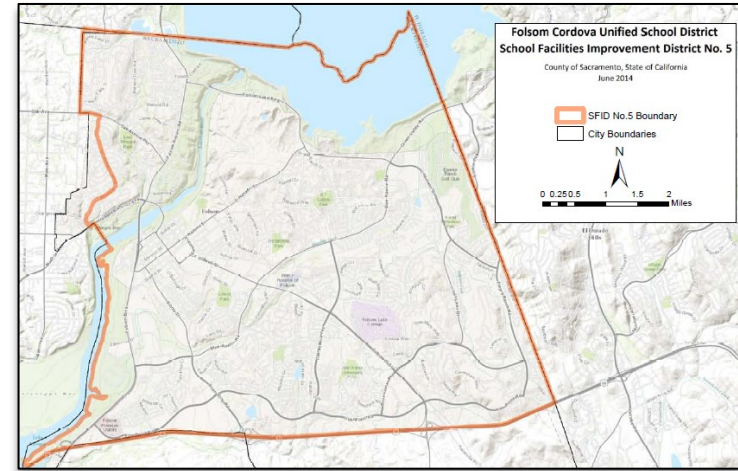
³Source: ²Source: Sacramento County Auditor-Controller Tax Accounting Reports, Voter Approved Debt Rates for FY 2012-2013 thru FY 2022-2023.

⁴As of March 31, 2023.



SFID #5

- Formation date: June 2014
- Located in northeastern portion of District
 - Includes territory north of Highway 50 in City of Folsom
 - Encompasses about 25 square miles (26% of total District)
- SFID 5's boundaries overlap SFID 2's boundaries
- Passed one GO Bond authorization
 - 2014 Measure G - \$195 million
 - No remaining authorization
- FY 2022-2023 AV: \$16.03 billion¹
 - 4.9% year over year increase
- FY 2022-2023 SFID 5 tax rate: \$53.00²
- Total remaining debt service: \$286.77 million³
- Final maturity: October 1, 2043
- FCUSD Board has had preliminary discussions on a new bond in 2026



Date	Measure	Election Type	Authorization Amount	Voter Approval	Remaining Authorization
11/4/2014	G	Prop. 39	\$195,000,000	68.9%	-

Fiscal Year	Total Assessed Value ¹	YoY Change	Historical Tax Rate ² (per \$100,000 of AV)
2012-13	\$9,644,534,879	-1.9%	-
2013-14	\$10,083,285,933	4.5%	-
2014-15	\$10,765,629,871	6.8%	-
2015-16	\$11,247,691,152	4.5%	\$56.80
2016-17	\$11,832,061,242	5.2%	\$64.10
2017-18	\$12,455,551,415	5.3%	\$7.10
2018-19	\$13,228,902,163	6.2%	\$58.30
2019-20	\$13,947,523,040	5.4%	\$54.70
2020-21	\$14,672,204,040	5.2%	\$54.30
2021-22	\$15,273,792,815	4.1%	\$54.80
2022-23	\$16,025,908,706	4.9%	\$53.00

¹Source: California Municipal Statistic, Inc.

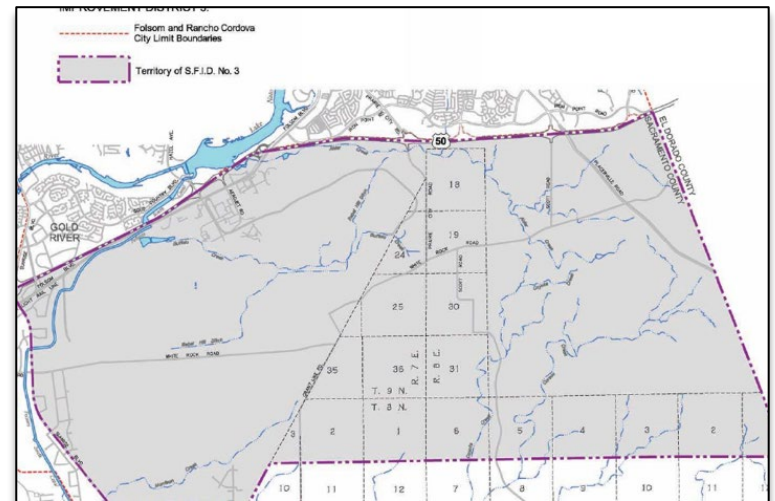
²Source: County of Sacramento Voter-Approved Debt Rates for FY 2012-2013 thru FY 2022-2023.

³As of March 31, 2023.



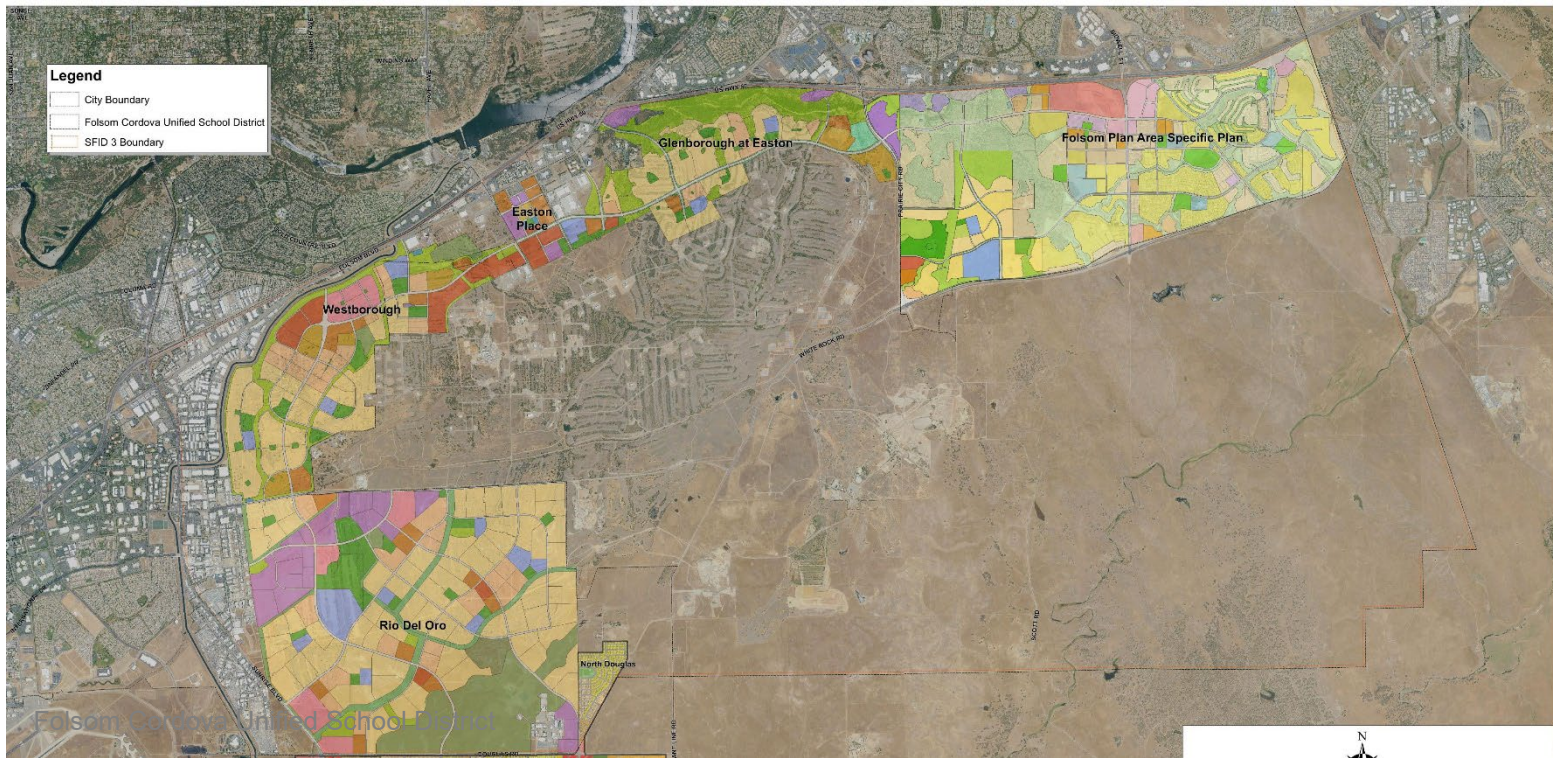


SFID #3 - South of Highway 50 Developments



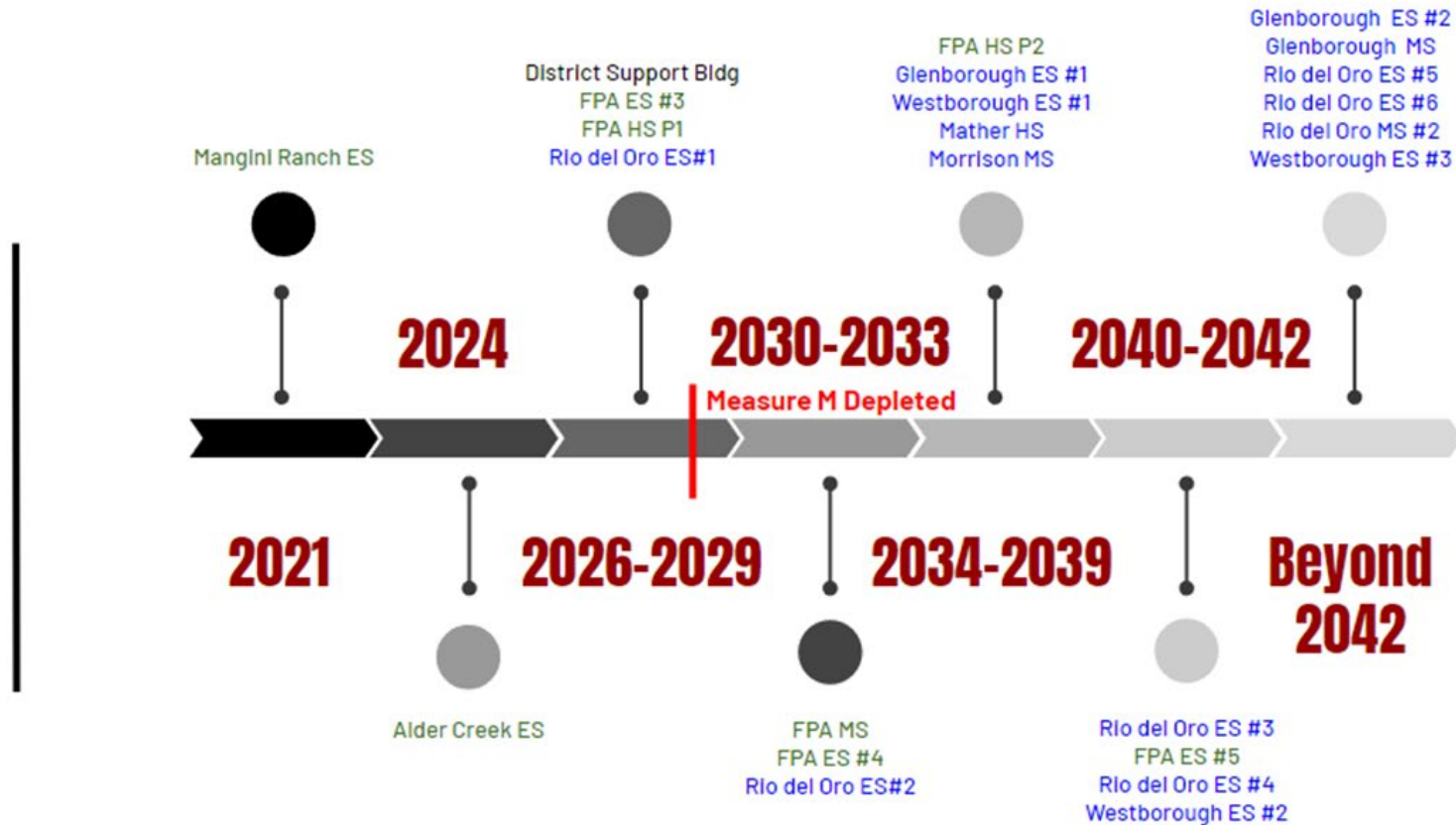
SFID #3 Housing Development Information

- SFID #3 has five development areas
 - Folsom area 11,461 residencies
 - Folsom Ranch – 11,461
 - Unincorporated area 4,874
 - Glenborough – 3,230
 - Easton Place – 1,644
 - Rancho Cordova 17,696 residencies
 - Westborough – 5,507
 - Rio Del Oro – 12,189
- As of December 2022, Folsom area had 2,875 homes and Rancho Cordova area had 745



SFID #3 Buildout Timeline

New Schools Timeline

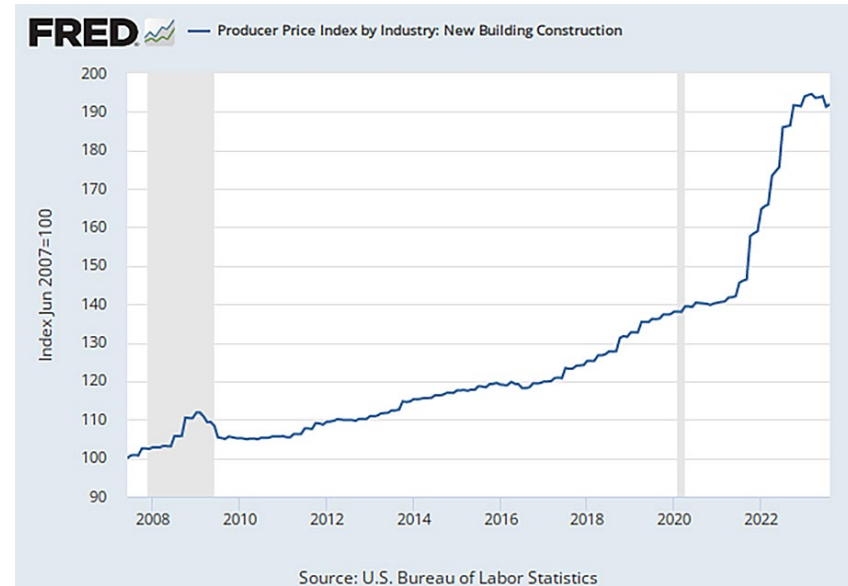


- Measure M funds project to be fully exhausted in 2029
- Assumes the completion of four elementary sites, district support building, and one high school
- Assumes state facilities bond will pass in 2024 to reimburse FCUSD for Alder Creek School to build Rio del Oro ES #1



Escalation of Construction Costs and Impact

- Construction (160%), land acquisition (over 200%) and other soft costs have increased significantly since 2016 when the elementary and high school designs were created
- District programs have increased base level facility square footage (sqft.) for all-day kindergarten, universal transitional kindergarten, increased support staff (mental health, counseling, etc.), and increase in special education classroom space
- Estimated **total cost** for the designs are **double** the original projection from 2016
 - Folsom Ranch HS design (all phases) is projected at \$400 million in 2023 dollars
 - Alder Creek Elementary School is budgeted at \$85 million in 2023 dollars
- Staff is recommending a redesign of both the high school and future elementary schools to reduce significant costs
 - Reduce cost by decreasing sqft. for non-classroom areas (common spaces, support areas, etc.), majority single story, and campus style buildings
 - Develop comprehensive high school project that is broken into three or four phases



Long Term SFID #3 Funding Issues

- Access to remaining funds (\$545 million) from Measure M will require potentially two separate bond sales
 - When those bonds are issued the tax rates will increase
 - AV growth will be the most important factor in determining the rates
- An additional bond(s) will be required in the future to complete the list of all schools in SFID #3 by 2029
 - Timing of the next bond campaign would be in 2028 or earlier
 - Prop 39 bond (55%) would also cap the tax rate at \$60 per \$100k of AV
- Future discussions need to include if new SFIDs are needed to fund future projects split out by communities/development areas
- District staff will work with consultants with revised AV growth information, revised costs for schools, and updated timeline for developments to provide estimated tax rates



High School Discussion

- Original comprehensive facility plan for SFID #3 had the first high school located in Rancho Cordova, but due to the housing bubble all development stopped.
- The most recent planning has Folsom Ranch HS opening in 2029 with the second high school built in Rancho Cordova approximately in 2037-2039
 - These timelines were based upon demographic information and capacity needs calculated in the mid-2010's
- The Board has asked to look at options to create equity of funding for both communities – Rancho Cordova and Folsom
- Staff has presented an option to look at moving the first high school to Rancho Cordova which generates specific questions:
 - Transportation routes
 - Attendance boundaries
 - Impact to existing high schools (Future capacities)
 - Equity of projects between communities
 - Timeline for the second high school in SFID #3
- Another option is to split remaining funding and build a high school in both communities
 - Not sufficient funding to build a full comprehensive high school in both communities with funds available due to need for an elementary school in each community
 - Scope of project is unclear (i.e., phasing and ability to offer all services)
 - Additional financial impact on general fund for operational costs of two high schools with lower enrollment
 - Demographics show that timeline for need of high school in Rancho Cordova is further into the future than need in Folsom (2029 vs. 2037-2039)
 - Smaller high school could be option for Rancho Cordova as a comprehensive high school is not needed for an extended period
- Developer Discussions
 - Both high school sites in Folsom and Rancho Cordova will be accessible for a 2029 opening
 - Folsom high school location may have flexibility to purchase land to meet the middle/high school model, but analysis is needed of proposed parcel





Next Steps

Next Steps for SFID #3

- Board direction to move forward on redesign of next elementary school and high school for SFID #3
 - High School could be based upon Mather/Morrison Creek design
- Board direction on methodology on ensuring equitable distribution of SFID #3 funds between communities
- Study Session scheduled for December 12 to provide update on demographics, AV assumptions, revised school costs, and timeline for issuance of remaining Measure M proceeds to determine future tax rates



Questions

