



Atascadero Unified School District Management Review

July 27, 2007

Joel D. Montero
Chief Executive Officer



CSIS California School Information Services

July 27 2007

John Rogers, Superintendent
Atascadero Unified School District
5601 West Mall
Atascadero, CA 93422

Dear Superintendent Rogers:

In April 2007, the Atascadero Unified School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for a fiscal and facilities review. Specifically, the agreement asked FCMAT to perform the following:

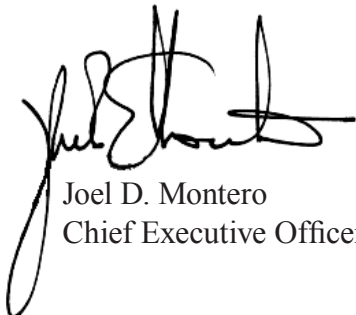
1. Utilize the demographic report recently received by the district as the basis for projected student enrollments for the following Atascadero Unified School District schools:

Santa Rosa Academic Academy
Monterey Road Elementary
Santa Margarita Elementary
Atascadero Junior High School
Atascadero High School

2. Conduct site visits and observations in order to verify the current physical condition of the sites and utilization of existing facilities.
3. Identify maintenance issues and facility expansion needs that should be addressed and completed at the five sites by the district in order to prepare for the projected increases in the student populations.

FCMAT visited the district May 30-31, 2007 to review data, interview employees and collect information. This report is the result of that effort. We appreciate the opportunity to serve you, and we extend our thanks to all the staff of the Atascadero Unified School District. .

Sincerely,



Joel D. Montero
Chief Executive Officer

FCMAT

Joel D. Montero, Chief Executive Officer

· CITY CENTRE, Bakersfield, CA 93301-4533 · Telephone 661-636-4611 · Fax 661-636-4647

422 Petaluma Blvd North, Suite. C, Petaluma, CA 94952 · Telephone: 707-775-2850 · Fax: 707-775-2854 · www.fcmat.org

Administrative Agent: Larry E. Reider - Office of Kern County Superintendent of Schools

Table of Contents

Forewordiii

Introduction I

Executive Summary 3

Findings and Recommendations 5

Projected Costs & Funding Options for Facility Improvements..... 5

Asset Management..... 19

Utilization of Sites..... 23

General Maintenance, Grounds and Operations Issues 29

Facility Inspections and Expansion Needs 37

Appendices 41

Foreword

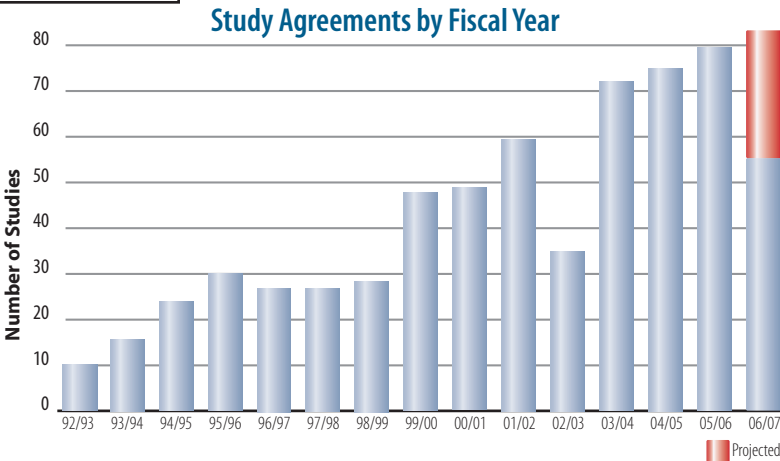
FCMAT Background

The Fiscal Crisis and Management Assistance Team (FCMAT) was created by legislation in accordance with Assembly Bill 1200 in 1992 as a service to assist local educational agencies in complying with fiscal accountability standards.

AB 1200 was established from a need to ensure that local educational agencies throughout California were adequately prepared to meet and sustain their financial obligations. AB 1200 is also a statewide plan for county offices of education and school districts to work together on a local level to improve fiscal procedures and accountability standards. The legislation expanded the role of the county office in monitoring school districts under certain fiscal constraints to ensure these districts could meet their financial commitments on a multiyear basis. AB 2756 provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans. These include comprehensive assessments in five major operational areas and periodic reports that identify the district’s progress on the improvement plans

Since 1992, FCMAT has been engaged to perform more than 600 reviews for local educational agencies, including school districts, county offices of education, charter schools and community colleges. Services range from fiscal crisis intervention to management review and assistance. FCMAT also provides professional development training. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The agency is guided under the leadership of Joel D. Montero, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

Total Number of Studies.....	637
Total Number of Districts in CA.....	982
● Management Assistance.....	603 (94.66%)
● Fiscal Crisis/Emergency	34 (5.34%)
Note: Some districts had multiple studies.	
● Districts (7) that have received emergency loans from the state.	(Rev. 4/3/07)



Introduction

Background

The Atascadero Unified School District is located in San Luis Obispo County in the city of Atascadero between the cities of San Luis Obispo and Paso Robles. The city's population has increased from 23,138 in 1990 to 27,130 in 2005 according to U.S. Census Bureau data. Slightly less than nine percent of the population was of public school age in 2005.

The district operates eight elementary schools, one junior high school, one comprehensive high school, an adult education center and a continuation high school. Although the community is growing, and the local economy has benefited from increased tourism related to the proximity to coastal communities and an increase in the number of local wineries, overall enrollment levels over the last 10 years have dropped from a high of 6,143 students in 1996-97 to 5,030 in 2006-07.

In February 2007, Schoolhouse Services completed a new demographic study commissioned by the district, which will be used in planning for future needs. The study projects the district will serve 5,460 students in the year 2026 although the current decrease in enrollment will continue through 2009. The report utilized historical enrollment trends as well as current economic, development, land use, and student yield information to project student enrollment through the projection period by grade and geographical configuration area.

Based on data from the California Basic Educational Data System (CBEDS), the October 2006 student enrollment count was 5,030 students in kindergarten through twelfth grade. These students received instruction at 11 school sites and one alternative education program. Based on the results of the demographic report and to plan for future facility needs, the district administration requested that FCMAT conduct a management assistance review of selected school sites. Specifically, the scope and objectives of the study are as follows:

1. Utilize the demographic report recently received by the district as the basis for projected student enrollments for the following Atascadero Unified School District schools:

Santa Rosa Academic Academy
Monterey Road Elementary
Santa Margarita Elementary
Atascadero Junior High School
Atascadero High School

2. Conduct site visits and observations to verify the current physical condition of the sites and utilization of existing facilities.
3. Identify maintenance issues and facility expansion needs that should be addressed and completed at the five sites by the district to prepare for the projected increases in the student populations.

Study Team

The study team was composed of the following members:

Barbara Dean
Deputy Administrative Officer
FCMAT
Bakersfield, CA

Eric D. Smith*
Deputy Superintendent
Berkeley Unified School District
Berkeley, CA

Rod Sprecher
FCMAT Consultant
Bakersfield, CA

Jamie Perry*
Senior Director, District Financial Services
Fresno County Office of Education
Fresno, CA

Leonel Martínez
FCMAT Public Information Specialist
Bakersfield, CA

* As members of this study team, these consultants were not representing their employers, but were working solely as independent contractors for FCMAT.

Study Guidelines

The study team visited the district on May 30 – 31, 2007 to interview employees, review documents, collect information, and conduct site visits. This report is the result of that effort and is divided into the following sections:

- I. Executive Summary
- II. Projected Costs and Funding Options for Facility Improvements
- III. Asset Management
- IV. Utilization of Sites
- V. General Maintenance, Grounds, and Operations Issues
- VI. Facility Inspections and Expansion Needs
- VII. Appendices

Executive Summary

Over the last five years, the Atascadero Unified School District has experienced a significant decrease in enrollment, losing more than 10% of its student population. The district's current demographic report projects that this trend will continue through 2009 before a gradual increase of fewer than 100 students per year begins in 2010. By 2026, enrollment is projected to reach 5,460 based on variables considered by the demographers of Schoolhouse Services

As shown in the following table, the FCMAT study team estimates that the district would have to contribute approximately \$4,026,702 to access \$6,040,054 in state modernization funds available for four of its elementary school sites: Santa Margarita Elementary, Monterey Road Elementary, Santa Rosa Road Academic Academy, and Atascadero Junior High.

Site	District Share	State Share	Total Project Cost
Santa Margarita	\$936,805	\$1,405,208	\$2,342,013
Monterey Road	\$1,341,805	\$2,012,708	\$3,354,513
Santa Rosa Road	\$1,341,805	\$2,012,708	\$3,354,513
Atascadero Jr High	\$406,287	\$609,430	\$1,015,717
Total	\$4,026,702	\$6,040,054	\$10,066,756

Estimates of tax override and capital facilities (developer fee) revenue indicate that the district will have an undesignated ending balance of approximately \$5.5 million by fiscal year 2009-10. These funds could presumably serve as the district's matching share. Additional funding options are discussed in the body of this report along with the associated advantages and disadvantages.

The district should apply for Proposition 1D funding for career technical education facilities. The Career Technical Education Facilities (CTEF) program provides funding up to a maximum of \$6 million per project for new career technical education construction projects, and 50% funding for modernization of career technical education facilities up to a maximum of \$3 million per project for school districts operating comprehensive high schools.

The district should consider relocating its maintenance, transportation, warehouse and copy center to district-owned property located at Del Rio and Potrero roads. The current facility is too small, in disrepair and in a poor location. Because the state does not fund the construction of administrative facilities, the district will need to commit local resources to proceed with this project. It is estimated that the project costs for this facility will be more than \$7 million.

The district should retain an asset management firm to develop a plan that is consistent with its long-term goals and objectives. An appraiser should be retained to provide an estimated value of the Atascadero Junior High site, and the district should communicate with the city redevelopment agency regarding the development of the downtown area relative to the site. A civil engineer should be engaged to review traffic circulation once the Lewis Avenue bridge is completed. The pros and cons of moving the junior high site from downtown should be fully evaluated and discussed in community forums. A qualified CQEA consultant should be retained to review the status of any new projects prior to project commencement.

The district should develop a districtwide student housing plan, including site master plans to address short- and long-term student needs. The inventory of relocatable classrooms should be evaluated and resized accordingly. Enrollment projections and the student housing plan should be updated at least annually.

The span of management and operational oversight of Support Services is excessively broad and does not support effective use of time and manpower in meeting the district's custodial, maintenance, and grounds needs. Consideration should be given to providing manager- or supervisor-level support to these areas. Staffing for these areas should be evaluated in comparison to sample ratios and revised as needed. Standardized procedures in these areas during various times of the year will help ensure that areas are not neglected.

District compliance with the Americans with Disabilities Act should be reviewed, and a written transition plan developed.

Priorities, budgets, and time lines should be identified and implemented to address the facility repair and replacement issues at all school sites.

Findings and Recommendations

Projected Costs & Funding Options for Facility Improvements

Because the Atascadero Unified School District is experiencing declining enrollment, most of its ongoing facilities activities involve modernizing and reconstructing existing school facilities. The state's School Facility Program (SFP) provides school districts with funding assistance to modernize school facilities. The assistance is in the form of grants approved by the State Allocation Board (SAB), and requires a 40% local contribution. A district is eligible for grants when students are housed in permanent buildings 25 years old or older and relocatable classrooms 20 years old or older, and when these buildings have not been previously modernized with state funds.

Grant amounts are increased, and funding for specific utility upgrades is allowed if the permanent buildings to be modernized are at least 50 years old. The modernization grant (pupil grant) amount is established in law and is based on the number of students housed in the over-age facilities. Current CBEDS data is used to determine modernization eligibility by school site. In addition to the basic grant amount, a district may be eligible for supplemental grants depending on the type and location of the project. In some cases, districts unable to contribute some or the entire local match may be eligible for financial hardship assistance

Modernization grants can be used to fund a large variety of work at an eligible school site. Air conditioning, insulation, roof replacement, and the purchase of new furniture and equipment are just a few of the eligible expenditures of modernization grants. A district may even use the grants to demolish and replace existing facilities of a similar kind. However, modernization funding may not be spent for construction of a new facility, except in very limited cases generally related to universal design compliance issues or for site development.

Pursuant to SB 50, existing school capacity is determined by loading teaching stations at the elementary level at 25 students per classroom and at the intermediate and secondary level at 27 students per classroom (this information is reported to the state on form SAB 50-02). Since modernization is *site specific*, meaning that modernization eligibility generated at a school can be used only at that school, the district should utilize all its modernization eligibility at each site.

Projected Costs

The following is a summary of both the state and local contribution that would be required for the modernization of three elementary schools, Santa Margarita Elementary, Monterey Road Elementary and Santa Rosa Road Academic Academy, and Atascadero Junior High School. FCMAT has not verified modernization eligibility for these sites with the Office of Public School Construction.

6 | PROJECTED COSTS & FUNDING OPTIONS FOR FACILITY IMPROVEMENTS

Santa Margarita Elementary School - The site is located in the unincorporated area of Santa Margarita. The site has significant deferred maintenance and capital facilities needs, including the need to remediate dry rot in walkway canopies, reroof where necessary, upgrade the fire alarm system and remediate the current septic system, which currently ponds during certain periods of the year. It has been noted by the district that the septic system complies with RWQCB standards. The site also has two classrooms and the adjacent bathrooms that have been decommissioned because of mold. These facilities should be demolished and/or removed from the site. A cursory review of State School Facilities Program modernization eligibility at this site is as follows:

Proposed Project Name: Santa Margarita Elementary
 Modernization type: Adjusted Grant without Financial Hardship
 Type of Project: Elementary School

	Input Values	Output Values
K-6 Pupils assigned:	400	\$1,304,800.00
7-8 Pupils assigned:		
9-12 Pupils assigned:		
Non-severe Pupils assigned:		
Severe Pupils assigned:		
Total Classrooms:		
50 year old Classrooms:		
Site Development - Utilities:		
Fire Detection/Alarm System:	Yes	\$41,600.00
Master Plan Acreage:		
Recommended Site Size:		
Existing Acres:		
Project Assistance:		
General Site:		
Energy Efficiency:		
Geographic Factor:		
Handicapped Access/Fire Code:	Yes	\$39,144.00
Small Size Project:		
Urban/Security:		
Labor Compliance Program:	Yes	\$19,664.00
No. of 2 Stop Elevators:		
No. of Additional Stops:		

District Share: \$936,805.00
 State Share: \$1,405,208.00
 Total Project Cost: \$2,342,013.00

Monterey Road Elementary School - The site is the district’s second oldest elementary school site and has been partially modernized with local funds. However, there is a demonstrable need for deferred maintenance and/or capital improvements. The power distribution at the entire site needs to be upgraded, irrigation systems for the play fields are either nonexistent or antiquated, there is a significant access compliance because of the grade differential (i.e. slope) between the classrooms and at the play fields (currently no handicap accessible ramp exists), and the parking lot area needs a Petromat overlay.

The boiler system should be replaced with roof-mounted heating, ventilation and air conditioning (HVAC) units. Since the boiler and associated piping will have to be removed, and minor amounts of the piping is insulated with asbestos, the district should consider applying for a Deferred Maintenance Extreme Hardship Grant for this project. (The process is reviewed in another section of this report.) In addition, the district should consider pursuing state modernization funding for this site.

A cursory review of State School Facilities Program modernization eligibility at this site is as follows:

Proposed Project Name: Monterey Road Elementary
 Modernization type: Adjusted Grant without Financial Hardship
 Type of Project: Elementary School

	Input Values	Output Values
K-6 Pupils assigned:	575	\$1,875,650.00
7-8 Pupils assigned:		
9-12 Pupils assigned:		
Non-severe Pupils assigned:		
Severe Pupils assigned:		
Total Classrooms:		
50 year old Classrooms:		
Site Development - Utilities:		
Fire Detection/Alarm System:	Yes	\$59,800.00
Master Plan Acreage:		
Recommended Site Size:		
Existing Acres:		
Project Assistance:		
General Site:		
Energy Efficiency:		
Geographic Factor:		
Handicapped Access/Fire Code:	Yes	\$56,270.00
Small Size Project:		
Urban/Security:		
Labor Compliance Program:	Yes	\$20,988.00
No. of 2 Stop Elevators:		
No. of Additional Stops:		

District Share: \$1,341,805.00
 State Share: \$2,012,708.00
 Total Project Cost: \$3,354,513.00

Santa Rosa Road School - The site is the district’s oldest elementary school site and is in the most need of repair. Since the facility has never been modernized using state funds, almost every major building component (i.e. roofing, plumbing, paving, electrical, carpet, etc) should be replaced. A cursory review of State School Facilities Program modernization eligibility at this site is as follows:

Proposed Project Name: Santa Rosa Road
 Modernization type: Adjusted Grant without Financial
 Hardship
 Type of Project: Elementary School

	Input Values	Output Values
K-6 Pupils assigned:	575	\$1,875,650.00
7-8 Pupils assigned:		
9-12 Pupils assigned:		
Non-severe Pupils assigned:		
Severe Pupils assigned:		
Total Classrooms:		
50 year old Classrooms:		
Site Development - Utilities:		
Fire Detection/Alarm System:	Yes	\$59,800.00
Master Plan Acreage:		
Recommended Site Size:		
Existing Acres:		
Project Assistance:		
General Site:		
Energy Efficiency:		
Geographic Factor:		
Handicapped Access/Fire Code:	Yes	\$56,270.00
Small Size Project:		
Urban/Security:		
Labor Compliance Program:	Yes	\$20,988.00
No. of 2 Stop Elevators:		
No. of Additional Stops:		

District Share: \$1,341,805.00
 State Share: \$2,012,708.00
 Total Project Cost: \$3,354,513.00

Atascadero Junior High School - The site is in need of significant deferred maintenance work, including resurfacing of asphalt areas, reroofing, and remediation of dry rot in walkway canopies. There is also a need for new irrigation at the play fields and better security lighting and fencing along the perimeter of the site. One restroom facility is decommissioned because of mold and should either be abated or demolished.

The existing junior high school is located in the middle of downtown Atascadero and may serve as an impediment to the continued revitalization of the downtown area. The district should work with the city and/or developers to determine whether it would be financially feasible to relocate the junior high school and sell or lease the existing site to a developer. A cursory review of State School Facilities Program modernization eligibility at this site is as follows:

Proposed Project Name: Atascadero Junior High
 Modernization type: Adjusted Grant without Financial
 Hardship
 Type of Project: Middle School

	Input Values	Output Values
K-6 Pupils assigned:		
7-8 Pupils assigned:	164	\$565,800.00
9-12 Pupils assigned:		
Non-severe Pupils assigned:		
Severe Pupils assigned:		
Total Classrooms:		
50 year old Classrooms:		
Site Development - Utilities:		
Fire Detection/Alarm System:	Yes	\$17,056.00
Master Plan Acreage:		
Recommended Site Size:		
Existing Acres:		
Project Assistance:		
General Site:		
Energy Efficiency:		
Geographic Factor:		
Handicapped Access/Fire Code:	Yes	\$16,974.00
Small Size Project:		
Urban/Security:		
Labor Compliance Program:	Yes	\$9,600.00
No. of 2 Stop Elevators:		
No. of Additional Stops:		

District Share: \$406,287.00
 State Share: \$609,430.00
 Total Project Cost: \$1,015,717.00

Atascadero High School - A \$5 million modernization project was recently completed at Atascadero High School, which consumed 864 of the 890 modernization grants available at this site. As a result, future modernization will depend on the commitment of local resources. The high school site still has demonstrable deferred maintenance needs and programmatic needs for new facilities. The site needs renovated science labs to focus on current teaching standards, a new performing arts center (the performing arts department currently uses the junior high school auditorium since there are inadequate facilities at the high school), and a shop expansion to accommodate the district's focus on career technical education. The district recently completed a culinary arts project at the high school and should apply for reimbursement through the state's new Career Technical Education Facilities Program.

The district should also consider relocating the current maintenance, transportation, warehouse and copy center on the north side of the high school campus to district-owned property at Del Rio and Potrero roads. After the relocation of this facility, the high school should apply for capital facilities funding through the State Career Technical Education Facilities Program. The funding would be to expand the agriculture mechanics program using the vacated area.

The school also has several deferred maintenance needs. The entire site needs new asphalt, and classroom building C needs new carpet, which will necessitate the abatement of existing asbestos containing material 9” by 9” floor tile. Lastly, building B has two stories, but lacks an elevator, making it inaccessible to some disabled students and staff members.

District Maintenance Center - The district’s maintenance, transportation, warehouse, and copy center is being considered for relocation to district-owned property located at Del Rio and San Potrero roads. The current facility is undersized, in disrepair and in a poor location. Because the state does not fund the construction of administrative facilities, the district will need to commit local resources to implement this project at an estimated cost of more than \$7 million. FCMAT understands that environmental review pursuant to the California Environmental Quality Act (CEQA) has not commenced, and that the district is in the process of retaining a qualified environmental consultant to prepare an initial study to determine whether the project will have a significant effect on the environment.

Funding Options

Deferred Maintenance - The state’s Annual Budget Act appropriates to school districts ongoing funds that are restricted to deferred maintenance purposes. The amount is determined by calculating one-half of one percent of the district’s current year budget. To be eligible for these funds, school districts must transfer funds of an equal amount to the deferred maintenance fund to match the state’s contribution.

Deferred Maintenance Extreme Hardship Grants - Deferred Maintenance Extreme Hardship applications may be filed annually by each district, provided that the projects listed appear on the district’s approved five-year deferred maintenance plan. Funding of hardship applications under the deferred maintenance programs requires the project to be highly rated in the state priority system and requires the district to deposit the required contribution in the deferred maintenance fund. The deferred maintenance fund contribution may include prior-year contributions that exceeded the amount required by statute. One disadvantage is that the program is very restrictive and will fund only projects that are eligible under the district’s five year deferred maintenance plan. As a result, individual projects such as heating, roofing and plumbing may be undertaken only on separate applications, and only one application may be filed per year without the district incurring additional expense.

Applications for extreme hardship are received by the OPSC throughout the year. An extreme hardship exists when the State Allocation Board determines the existence of the following:

- **Financial Test:** The total estimated cost of the critical project is greater than two times the district’s maximum basic grant; and,
- **Health and Safety Test:** The district has a critical project on its five-year plan that could result in serious damage to the remainder of the facility or would result in a serious hazard to the health and safety of the pupils if not completed in one year.

An application may include work to repair or replace an existing school building component, located in existing district owned classrooms and/or subsidiary facilities and other nonclassroom space located on a school site. Each facility component (i.e., roofing) at a school site makes up one project. A typical list of facility components may include:

Floor Covering: 1. Carpeting 2. Asphalt Tile and Vinyl Asbestos Tile 3. Hardwood Floors	
Painting: 1. Interior of classrooms, library, offices, hallways, cafeteria, restrooms, etc. 2. Exterior stucco, masonry, wood, and metal trim	
Electrical: 1. Panels and boards 2. Signal systems, including fire alarms and public address 3. Conductors and cables	Must be connected to the main bell system; cannot be free standing.
Classroom Lighting: 1. Substandard incandescent lighting and obsolete fluorescent lighting 2. Fixtures	Light bulb replacement not allowed.
Roofing: 1. Large sections or whole buildings of roofing systems 2. Flashings, gutters, and downspouts 3. Ceiling tiles	Replacement of roofing systems must be for like kind material, pitch, etc.
Plumbing: 1. Piping within boundaries 2. Underground gas, water 3. Sewer, leech fields 4. Well replacement	

The total estimated cost of the critical project will determine how the extreme hardship grant is calculated and the amount of funding the district will contribute to the project. The following chart details the different district contribution requirements for a critical project.

District's Maximum Basic Grant and State's Match	Total Project Cost	Project Number	District Contribution Requirement
Under \$1,000,000	Under \$1,000,000	First Project	Maximum basic grant and state's matching share for the fiscal year the project was funded.
Under \$1,000,000	Above \$1,000,000	First Project	Maximum basic grant and state's matching share for the fiscal year the project was funded AND 50 percent of all costs of more than \$1 million.
Under \$1,000,000	Any Amount	Second and subsequent projects or additional projects from a different fiscal year receiving funding.	Fifty percent of the total project cost.
Above \$1,000,000	Above \$1,000,000	First Project	Maximum basic grant for the fiscal year the project was funded AND 50 percent of all remaining costs.
Above \$1,000,000	Above \$1,000,000	Second and subsequent projects or additional projects from a different fiscal year receiving funding.	Fifty percent of the total project cost.

A district may choose to use both types of deferred maintenance funding in conjunction with School Facility Program Modernization funds to complete a project, provided the work complies with the requirements of deferred maintenance. Depending on the type of deferred maintenance funding (Basic Grant or Extreme Hardship Grant) the district will need to comply with the following specific requirements:

- Districts anticipating expenditures of a project being performed in conjunction with a School Facility Program (SFP) modernization project must include it on the district's approved Deferred Maintenance Five Year Plan. The district should specify in the comments section of the form that a portion of the work will use SFP modernization grants. In addition, the detail kept on file at the district should be updated to reflect actual projects costs expended from each fund for the purpose of auditing.
- There are other requirements if the district's Extreme Hardship Grant application involves proposed work that is also included in a funded School Facility Program (SFP) modernization application, on the modernization as unfunded or on a workload list. The district must certify that, after reducing the work to be funded with the extreme hardship grant from the SFP modernization project's cost estimate, the remaining work in the modernization project is at least 60 percent of

the total SFP grant amount provided by the state and district's matching share. The cost estimate may not include planning, testing, inspection, furniture or equipment. If the district cannot make this certification for a funded SFP modernization application, the extreme hardship grant will not be released. If the SFP modernization project is on the unfunded or workload list, it must be withdrawn prior to the release of the extreme hardship grant to the district.

Based on a review of existing facilities and projected need, the district has significant capital facilities needs over the next five years. Without a broad-based capital facilities mechanism in the future, increasing pressure will be placed on the district's unrestricted general fund to meet school facilities needs, leaving less revenue available to spend on classroom supplies, compensation increases, additional staffing and enhancements to existing programs.

The advantages and disadvantages of the available types of funding sources and their ability to finance the district's immediate capital facilities needs are discussed in the following section.

State School Facilities Program

Pursuant to Senate Bill 50, the State School Facilities Program may be used to finance the construction, modernization and reconstruction of school facilities. Participation in the State School Facilities Program requires that the district be eligible under the State Office of Public School Construction's guidelines and that the district contribute a local matching share (50% of the costs for new school construction and 40% for modernization) to the project. Competition for funds at the state level is intense and requires that district staff and the district Architect have knowledge of the State School Facilities Program.

Among other amounts, Proposition 1D appropriated \$1.9 billion in new construction funds, \$3.3 billion in modernization funds, and \$500 million for career technical education facilities to the Office of Public School Construction to be allocated to school districts and county offices of education. The Career Technical Education Facilities (CTEF) program provides 50% funding up to a maximum of \$6 million per project for new career technical education construction projects, and 50% funding for modernization of career technical education facilities up to a maximum of \$3 million per project for school districts operating comprehensive high schools. School districts may also apply for equipment only under the program.

Tax (Lease) Override

The district was one of a handful that passed a tax override pursuant to Education Code 17408 and prior to the passage of Proposition 13. The tax override was an alternative method to issue bonds to acquire sites, buildings and facilities constructed by a lessor (customarily in the form of a nonprofit corporation) to district plans and specifications. The title to the building and sites vests with the district once the lease expires. The

district's tax rate is .0975 per \$100 of assessed valuation and expires on June 30, 2012. The district should determine whether a general obligation bond measure is a viable option to fund capital facilities in the near future. If so, the district may be able to structure the measure to retain the current tax rate and proceed with a general obligation bond measure campaign of "no new taxes."

General Obligation (G.O.) Bonds

General obligations bonds may be used for the construction and reconstruction of school facilities and the acquisition of real property. However, passage of general obligation bonds requires two-thirds of the registered voters who cast ballots in that election to vote yes. Taxes levied to service debt on general obligation bonds are based on the assessed value of property in the district.

School districts in San Luis Obispo County have found it extremely difficult to obtain the two-thirds requirement. One of the restrictions on the use of general obligation bonds is that they may not be used to purchase furniture and equipment. Another disadvantage is that since the tax is levied districtwide, certain segments of the community such as senior citizens cannot be excluded from paying the tax.

Proposition 39 - 55% General Obligation (G.O.) Bonds

With the passage of Proposition 39, school districts may place general obligation bonds on the ballot subject to certain conditions. The statutory prohibitions that pertain to general obligation bonds still apply, and these bonds are subject to a number of new oversight provisions. However, the percentage of registered voters required to pass the measure has been reduced from 66.67% to 55%, which makes a Proposition 39 measure more likely to succeed.

Parcel Tax

Parcel taxes can be used to construct and reconstruct school facilities or to fund the district's general operating expenses. Parcel taxes, which are a fixed amount per parcel, also require approval from two-thirds of the voters in the district. The boundary for parcel taxes is districtwide.

Parcel taxes can be levied uniformly across all property in the district, be differentiated between residential and nonresidential development or be levied on only one type of development. Another advantage of this funding mechanism is that senior citizens can be exempted from the tax. One disadvantage of parcel taxes is that separate authority must be obtained to incur bonded indebtedness.

Mello-Roos Community Facilities District (Voter Authorized)

Mello-Roos Community Facilities Districts (CFD) can be used to finance the construction and reconstruction of school facilities. Special taxes under the Mello-Roos Community Facilities Act may be levied when approved by two-thirds of the qualified voters in the

district or when less than 12 registered voters in an uninhabited area vote to form a CFD. Special taxes are based on any reasonable method (e.g. square footage, lot size, etc.) with the exception of assessed value.

Unlike general obligation bonds and parcel taxes, special taxes levied under the Mello-Roos Community Facilities District do not have to be levied districtwide. The chief advantage of a Mello-Roos CFD is that they can be noncontiguous in form, and specific segments of the voting population can be excluded from paying the tax. Disadvantages of this funding mechanism include high financing costs and the fact that Mello-Roos CFD's are generally unfamiliar to voters.

Developer Fees

Developer fees can be levied on new residential and commercial/industrial construction for the construction and reconstruction of school facilities. Up to three percent of fees collected may be used to offset administrative costs. The process to levy developer fees requires the completion of a developer fee study and the establishment of public hearings before adoption. The current rate is \$2.63 per square foot for residential construction and 42 cents per square foot for commercial/industrial construction.

At present, the district levies level I fees at a rate of \$2.24 per square foot for residential construction and 36 cents per square foot for commercial/industrial construction, but is in the process of updating its developer fee justification document to levy the higher fee. Without state or other local assistance, developer fees generated at the local level will be insufficient to finance the district's school facilities needs. A recent amendment to Government Code Section 66001 clarifies that fees may be used to "refurbish existing facilities to maintain the existing level of service."

Level II/III Fees

With the passage of Senate Bill 50, school districts were granted authority to charge developers more than the statutory maximum. These level II fees are equal to the costs of 50% of total mitigation from new development as justified in a needs assessment. If the state runs out of bond money in the future, school districts that are currently levying level II fees may be able to levy level III fees equivalent to the rate of full mitigation.

Qualified Zone Academy Bonds

Qualified Zone Academy Bonds (QZABs) are a federally subsidized interest-free loan to modernize and equip existing school facilities. Instead of receiving interest dividends on bonds, the sale of QZABs results in a tax credit that can be used to reduce an investor's tax liability.

To qualify for QZABs, a district must have a reasonable expectation that 35% of the students attending the school to be modernized are eligible for free and/or reduced lunch in the National School Lunch Program.

Redevelopment Agencies

The purpose of redevelopment agencies (RDAs) is to eliminate blight and foster economic development. RDAs generate revenue through a mechanism known as tax increment financing. Redevelopment law enables RDAs to freeze the assessed valuation in the project area in the base year. After the base year is established, all new taxes because of increased valuations in the project area flow to the redevelopment agency. As a result, the flow of tax increment creates an income stream that allows tax increment bonds to be issued. Redevelopment revenues can be used only for constructing or reconstructing school facilities or deferred maintenance. The city of Atascadero established its redevelopment project area in 1999, causing the pass-through amounts to the school district to be subject to Assembly Bill 1290 and Health and Safety Code 33607.5 (refer to FCMAT Redevelopment Alert, Appendix A).

Recommendations

The district should:

1. Identify local funding sources for the 40% matching share on the Santa Margarita Elementary, Monterey Road Elementary, Santa Rosa Academic Academy and Atascadero Junior High School projects.
2. Update its modernization eligibility with the State Office of Public School Construction.
3. Update the developer fee justification study to levy the current statutory fee of \$2.63 per square foot for residential construction and 42 cents per square foot for commercial/industrial construction.
4. File modernization applications with the State Office of Public School Construction for the Santa Margarita Elementary, Monterey Road Elementary, Santa Rosa Academic Academy and Atascadero Junior High School sites.
5. File a Deferred Maintenance Extreme Hardship application to replace the boiler system at the Monterey Road Elementary School site, if cost effective.
6. Using district funds, relocate the district's maintenance, transportation, warehouse and copy center to district-owned property at Del Rio and San Potrero roads, and apply for CTEF funding to expand the agricultural mechanics program in the space vacated by the MOT Department at Atascadero High School.
7. Where applicable, apply for 50% funding under the Career Technical Education Facilities program under Proposition 1D for high school career technical facilities.

8. Apply for reimbursement through CTEF for the Atascadero High School Culinary Arts project.
9. Consider polling to determine if there is community support for a general obligation bond measure in the future, preferably at the time the existing tax (lease) override tax rate expires.

Asset Management

Asset management programs, as applied to California school districts, provide alternate uses of vacant, underutilized, or nonperforming district sites. Vacant school sites that may qualify for the program are those that were acquired for school purposes, but were never improved because of a change in the demographic makeup or some other related reason that prohibited the use of a particular site for school use. An example of an underutilized site is a school facility that was designed to accommodate a certain number of students, but has not met projected attendance levels or has experienced declining enrollment. The net effect is an inefficient operation. Nonperforming sites are those that are not operating as originally planned in an economical, cost-efficient manner.

The term asset management, as commonly used by school districts, is the evaluation of real property for the purpose of continuously providing information to the owner or investor on the maximum investment potential of real property assets available for sale, lease, swap or development. The overall goal of an asset management program is to utilize vacant, underutilized, or nonperforming district-owned property to generate a new revenue source for funding the district's capital facilities and/or operational needs. The entire process is generally accomplished in phases.

The first phase of an asset management program is to evaluate the district's candidate sites. This process involves the following steps:

1. Gather and research background information.
2. Identify site characteristics.
3. Determine likely alternative uses.
4. Prepare feasibility cash flow pro formas.
5. Analyze all data and determine the highest and best use.
6. Prepare a narrative report.
7. Review the report with the staff and present it to the public and board members.

Possible uses may range from short-term scenarios, such as leasing buildings as is or leasing land for agricultural use, to long-range development such as a joint use or public/private joint venture/lease combination, an enhanced sale or a simple sale. The potential income generated from surplus property depends on the proposed use and development scenario on a site-by-site basis. Scenarios include the following:

- The district could receive lease income on the land only. In this scenario, the district maintains ownership, and the long-term lease income would be increased over time by annual inflationary adjustments. Once a revenue or income stream has been developed, the district may be able to use it for operational purposes (refer to Education Code Section 17455) or its representative agency (such as a nonprofit corporation) can borrow or bond against the income source (although most frequently with a credit guaranty by the district as a whole) to convert ongoing long-term revenue into near-term capital funds to help meet other critical district facility needs.
- The district could receive full return of the original equity and ownership of the physical improvements constructed on the contributed land, free and clear of debt, at the end of the lease period.
- The district may participate with a willing developer and receive a negotiated percentage of the projected cash flow or equity based on the economics of the selected development type. Equity enhancement would occur as a result of investment in the project by others (such as a City Redevelopment Agency), either from redevelopment funds generally or by reinvesting redevelopment income generated by the project.
- An employer/employee subsidized housing program would enhance employee retention and recruitment, retain ownership of an asset for potential school use and generate income for capital facility purposes.
- An enhanced property disposition revenue program is a structured sale on a lot-by-lot basis as parcels are developed, including participation in project cash flow/revenues prior to or at the time of sale. When a single-family residential development is the best development option, a structured land sale with district participation may be recommended.
- A sale can be structured as an up-front payment transaction or with a substantial down payment in which the district would have the option to carry the balance at an attractive rate of return.

The district has several pieces of real property that are currently undeveloped. Although there is much speculation about what could be done with these properties, the district has no concrete plan that addresses the use. The district should retain an asset management firm to develop a plan to utilize the assets consistent with the district's long-term goals and objectives. The district should also commission an appraisal of the Atascadero Junior High School site to determine its current fair market value.

The existing junior high school is located in the middle of downtown Atascadero and may serve as an impediment to the continued revitalization of the downtown area. The district may wish to work with the city and/or developers to determine whether it would be financially viable to relocate the junior high school site and sell and/or lease the existing site to a developer.

Recommendations

The district should:

1. Retain an asset management firm to develop a plan to utilize the district's assets consistent with the district's long term goals and objectives.
2. Retain an MAI appraiser to prepare an appraisal of the Atascadero Junior High School site.
3. Discuss with the city's redevelopment agency the long-range plan for developing the downtown area and a potential disposition of the existing junior high school site.

Utilization of Sites

Historical and Projected Enrollment Summary

A key component in educational facilities planning is analyzing a district's demographic trends to project student enrollment and determine future facilities needs. The district has experienced declining enrollment during the 10-year period reviewed by the study team. As shown on Appendix B, the district's enrollment has declined by an average of 1.97 % per year since 1996-97, with the greatest annual decline (-4.73 percent) occurring in the 2003-04 school year. The district's elementary schools experienced the greatest substantial decline over the 10-year period, with a loss of 899 grades K-6 students (-26.87 percent) between 1996-97 and 2006-07.

During the past 10 years, enrollment declined by -18.64 percent at grades seven and eight. The district's high school enrollment increased from 1996-97 through 2001-02, but has declined since then. Overall, the district's K-12 enrollment has declined by 1,113 students (-18.12 percent) in the past 10 years. The district's current enrollment, by school, is shown in Appendix C.

The projected enrollment, as presented in the Schoolhouse Services demographic study, is shown in Appendix D. The district's combined historical and projected enrollment (1996-97 through 2006-07) is shown on Appendix E. The district's enrollment is projected to increase by approximately 455 students in grades K-6 (18.59 percent) and 69 students in grades 7-8 (8.59 percent) by the 2026-27 school year. The grades 9-12 enrollment is projected to decline by 94 students (-5.28 percent) during the projection period. Total grades K-12 enrollment is projected to increase by approximately 430 students (8.55 percent) by 2026-27.

Student Housing Plan

The next step in educational facilities planning is to determine facilities needs and to develop a student housing plan, or facilities master plan, for meeting the needs through the projection period. This is done by evaluating a district's existing facilities to determine the number of students they can house (capacity) and to determine whether the existing facilities can meet current and anticipated educational program needs. This information is compared to the projected enrollment to determine the number of students for whom facilities will be required during the projection period.

Based on this information, the student housing plan should identify short-term housing solutions (e.g., installation/removal of relocatable classrooms, classroom configuration changes, grade-level configuration changes, etc.) as well as longer-term solutions such as major modernization projects and/or the construction of new facilities. (Additional information regarding the master planning process is located at the California Department of Education's Web site: <http://www.cde.ca.gov/ls/fa/mp/>.) The cost of the facilities projects should be estimated, and the anticipated funding sources identified.

The scope of this study did not include the development by FCMAT of a comprehensive student housing plan for the district. However, the following information should be considered in the future development of a districtwide student housing plan.

- The district has excess capacity at the elementary and junior high school levels. Because of the relatively slow rate of anticipated growth, there appears to be no immediate need to provide additional facilities at these grade levels. There are significant maintenance concerns at these sites, however, and these are discussed in other sections of this report.
- Based on the site visit to Atascadero High School, many of the existing specialized classrooms (science labs, shops, and performing arts facilities) are inadequate to meet the needs of the educational program. Considering the district's vocational education program emphasis, upgrading or replacing some of these facilities should be considered as a district priority.
- The district should establish the master-planned capacity at each school site. (A "master-planned capacity" is the optimum school size for the site.) This can be done by evaluating the existing capacity and acreage at each site, and comparing it to the CDE's recommended site size information. District-specific policies and programs should also be considered in determining master-planned site capacities.
- The district has an open-enrollment policy that allows students to attend any school in the district, if capacity is available. As enrollment begins to increase at the elementary school level, this policy and its impact should be revisited.
- As the district develops its student housing plan, consideration should be given to managing its inventory of relocatable classrooms. Maintaining a small percentage of relocatable classrooms in the district's classroom inventory (typically 10% to 20% of the total classroom stock) is an effective strategy since the classrooms provide flexibility when resolving student housing issues on a yearly basis, while longer-term solutions are in the planning and development stages.

However, relocatable classrooms are not intended to be permanent student housing solutions. Buildings of this type tend to have a useful life span of approximately 20 years. After that, they are sometimes more costly to maintain than to replace. Furthermore, excess classroom capacity on each site adds to the maintenance and custodial work required by the district staff.

- The district should evaluate its relocatable classroom inventory to determine which buildings should be removed and which should be kept in the inventory. As enrollment increases, the district may choose to lease or purchase new classrooms, if needed, to replace any old relocatables that were removed.

Most importantly, the district should continue to monitor its enrollment and update the projections and student housing plan at least annually to ensure that facilities are provided to meet the changing enrollment needs over the next several years. For facilities planning purposes, projections should typically be updated when the October enrollment information is available. By updating the projections and the short- and long-term student housing plans annually, the district will ensure that quality facilities will be provided to meet the educational program needs of current and future students.

Atascadero Junior High School location

The site is located in the center of downtown Atascadero. Although the school facilities and location meet educational program needs, there may be an impediment to development of the city's downtown commercial area. In fact, the city's general plan land use diagram (dated 6-25-02) designates the site for downtown use instead of as a school site. This designation allows the location of a school, but also allows other types of development. The diagram also identifies several planned streets that are now covered by the school facilities.

Of particular interest is the Lewis Avenue Bridge, which is under construction immediately adjacent to the western edge of the campus. Construction will open Lewis Avenue to through traffic over the Atascadero Creek. This will be considered a minor arterial road for Atascadero and is expected to relieve some traffic from El Camino Real. Although traffic will increase along Lewis Avenue, once the bridge is complete, the speed limit for the entire street will be 25 miles per hour. The district may need to consider revising its bus loading areas, and/or other circulation areas, but the project is not likely to result in an unacceptable traffic situation for the school.

Once construction is complete, however, the district may want to retain the services of a civil engineer to review the traffic circulation patterns at the school site to determine if changes should be made to improve student safety and traffic flow efficiency.

During FCMAT interviews, several individuals discussed the possibility of moving Atascadero Junior High School to the district-owned land adjacent to the San Benito school site. This is the same parcel where construction of the new Maintenance, Operations, and Transportation (MOT) facility is planned.

Based on the district's 20-year enrollment projections, grades 7-8 enrollment could reach approximately 872 students by the 2026-27 school year. According the CDE's School Site Analysis and Development Guide, a junior high school site with facilities for football and track would require approximately 21 acres to accommodate that enrollment. The currently owned site does not appear to be large enough to accommodate new junior high school facilities to serve the projected student population if football and track programs are offered. However, such amenities are not required for a junior high.

Another consideration in moving the junior high from the downtown area is the cost of new facilities. According to the Office of Public School Construction, the cost of construction per grades 7-8 student is \$17,092 (including design, construction, testing, inspection, furniture, equipment, and other “soft costs,” but excluding land acquisition). If the new school was constructed to serve all the 872 projected students, the total project cost (excluding land acquisition) could conservatively be estimated at \$15 million in today’s economy. It is unlikely that the district would be eligible for state matching funds through the School Facility Program at this point. As a result, if the district and the Atascadero community wish to pursue the possibility of moving the school, local financing would be necessary.

If the district and the Atascadero community determine that moving Atascadero Junior High School is a priority, the proposed move should be included on the district’s student housing plan and the discussion of financing options should begin in the community now. In the meantime, the existing school has sufficient facilities for supporting the educational program and should continue to be supported and maintained.

California Environmental Quality Act Compliance

School districts are required to comply with California Environmental Quality Act (CEQA) requirements when planning facilities projects. According to the California Code of Regulations Section 15378, a “project” is defined as follows pursuant to CEQA:

- (a) “Project” means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and that is any of the following:
 - (1) An activity directly undertaken by any public agency including but not limited to public works construction and related activities clearing or grading of land, improvements to existing public structures, enactment and amendment of zoning ordinances, and the adoption and amendment of local General Plans or elements thereof pursuant to Government Code Sections 65100-65700.
 - (2) An activity undertaken by a person which is supported in whole or in part through public agency contracts, grants, subsidies, loans, or other forms of assistance from one or more public agencies.
 - (3) An activity involving the issuance to a person of a lease, permit, license, certificate, or other entitlement for use by one or more public agencies.

Compliance with CEQA may involve preparing a notice of exemption for a small project that may have minimal possibility of an environmental impact and therefore may be eligible for a statutory or categorical exemption. These projects may include the addition of a relocatable classroom, a small remodeling project, etc. A project that involves land acquisition and/or construction typically requires preparation of an initial study to identify potential environmental impacts and determine whether they can be mitigated to a less-than-significant level. If the impacts can be mitigated, a negative declaration can usually be prepared. If the impacts cannot be fully mitigated, the district may need to prepare a complete environmental impact report.

CEQA compliance is a complex and often costly process. The district should ensure that all planned projects, such as the new maintenance facility, are reviewed by qualified consultants to make sure that all CEQA requirements have been or will be met before the project commences.

Recommendations:

The district should:

1. Develop a districtwide student housing plan, including school site master plans, for short- and long-term student housing needs.
2. Maintain a small pool of relocatable classrooms in its inventory that can be moved from site-to-site on an as-needed basis to accommodate changes in enrollment. Old relocatable classrooms that have exceeded their useful life should be removed.
3. Update the enrollment projections and the student housing plan regularly to ensure that quality facilities can be provided to appropriate locations in a timely manner and to ensure that the long-term facilities master plan is aligned with educational program needs.
4. Contract with a civil engineer to review traffic circulation in and around the Atascadero Junior High School once the Lewis Avenue Bridge has been completed.
5. Verify the available acreage on the vacant land adjacent to the San Benito Elementary School to determine whether a new junior high school could be accommodated on the site.
6. Discuss the pros and cons of the proposed Atascadero Junior High School move with the Atascadero community to determine the extent of community support for the endeavor. The project should be included on the district's long-term student housing plan, if appropriate.

7. Continue to maintain and support the existing Atascadero Junior High School site for the current and near term pending completion of the student housing plan.
8. Contract with a qualified CEQA consultant to review the status of planned projects and prepare CEQA documentation as needed to ensure compliance.

General Maintenance, Operations, and Grounds Issues

The Director of Support Services is responsible for five operational areas, including the warehouse, food services, transportation, maintenance and grounds and custodial supplies. The director also oversees facility construction, modernization and deferred maintenance. This organizational structure does not align with the models of most K-12 districts found throughout the state. The span of responsibility is excessively broad for a director-level position. The Transportation and Food Services departments have assistant directors of support services. The Maintenance, Grounds/Landscaping and Custodial Services departments are managed by the Director of Support Services without mid-level managers or supervisors.

The district staffing for maintenance, custodial, and grounds/landscaping is shown by discipline in the following table:

	Districtwide
Maintenance	8.5 FTE
Custodial	30 FTE
Grounds /Landscaping	6 FTE
Total	44.5 FTE **

*** Data obtained from salary projection FTE's counted 5/30/2007*

The Director of Support Services is responsible for training, scheduling, evaluating and overseeing the performance of the 85.5 FTE classified employees who repair, clean, and maintain district sites. Many issues related to the condition of sites and discussed in other sections of this report are the responsibility of these departments. Changes are needed in the manner that priorities are established, projects are scheduled, staff members are managed, and results are achieved.

Site visits determined that all five schools included in this review had roofing and paving issues. District staff members are generally aware of the deficiencies in these two areas, and they struggle to keep up with the problems as they grow from year to year. These two areas are maintenance projects that fall under the five-year deferred maintenance program budget.

Districtwide assessments for all sites should be completed to fully determine the needed maintenance. This can be achieved by hiring reputable and capable local contractors to conduct assessments, including the following:

- Performing school-by-school assessments of all roofing and paving needs in the district.
- Mapping and plotting the number of square feet or square yards of materials found at the school sites.
- Identifying and prioritizing the most serious areas assessed.
- Applying the cost per square foot or square yard to the assessed needs.

- Providing and recommending the specifications of products to be used by the district in both roofing and paving.

Contractors will often offer assessment services to the school district at a nominal cost. These assessments will become valuable tools in future budgeting, planning and repair.

The condition of the district's school site facilities varies significantly. The district's best facilities include the junior high performing arts center and weight training facilities, and the high school weight training and culinary arts facilities as well as the all-weather track. Plans to build a maintenance, operations and transportation facility of more than \$7 million distinguish the district from most other K-12 districts in the state. However, most of the district's schools have problems with decay, deterioration, mold, inoperable mechanical systems, leaking roofs, asbestos issues, Americans With Disabilities Act (ADA) compliance issues and insufficient infrastructures such as electrical supply, underground piping systems, and irrigation systems.

The district has attempted to keep pace with facility problems by maximizing its use of matching deferred maintenance dollars. This practice is commendable and necessary, but the \$400,000 to \$500,000 that the district spends on deferred maintenance projects each year is sufficient to fund only a small percentage of the existing maintenance issues. Most of the more serious maintenance problems at the schools resulted from neglect and resistance to necessary major capital facility investments. The schools that are 60 years of age or older generally have the most problems, and Atascadero High School and the junior high school sites are even older.

The district should exercise extreme care in prioritizing and scheduling major capital facility work. For example, it would be imprudent to replace flooring in buildings with leaky roofs or to add new air-conditioning units to a school that lacks the electrical capacity to support the new systems.

The district has a large number of compliance issues relating to the Americans with Disabilities Act, a federal law written in 1992. The ADA requires districts to identify physical improvements or projects that are needed to remove barriers for all students who participate in programs, activities and services that the schools offer. Employers with 50 or more employees are required to develop a written transition plan that identifies all physical barriers and a plan to mitigate their effects on handicapped students, staff or community.

Team observations and feedback from elementary school custodians suggest that the district has insufficient FTEs to maintain schools at the desirable level of cleanliness. Some elementary schools are cleaned only every other day. Restrooms and classrooms receive daily custodial service. The Head Custodian or Day Custodian does not have a full cleaning schedule and is often assigned at the discretion of the Principal, reducing the custodial time available to clean classrooms.

Many schools throughout the state have obtained the cooperation of students and teachers to help keep facilities clean. Only a few minutes per day can often make a difference. Student tasks may include picking up papers by their desks and placing their chairs on top of their desks before dismissal. Activities can become competitive between classrooms and incentives can be offered once a month to promote student interest. Students can police the playground for papers and trash. Encouraging participation at the elementary level may help the students develop habits that transfer to junior high and high school.

The Grounds Department handles landscape installations, maintenance of irrigation/watering systems, exterior litter control, and maintenance of lawns, trees and shrubs as well as weed control. The Maintenance Department handles fencing, gates, asphalt and concrete repair and has oversight of the district's integrated pest management program.

The district encompasses more than 150 acres maintained by six full-time grounds workers including 1 FTE dedicated to the high school sports facilities. The six full-time grounds workers are assigned to maintain all aspects of grounds and landscaping components found at all other district facilities, including irrigation and general maintenance of facilities.

At most other districts, at least two grounds workers are typically assigned to a high school facility because of the number of sports-related activities that occur as well as ongoing community use after hours and on weekends. The high school Grounds Department should also maintain all the school's interior landscaping. During the study team's visit, it appeared that much of this work had not been regularly completed. Failure to maintain the site grounds, beyond simply mowing the lawns, will result in an unattractive facility as well as a loss of capital investment in the school district's plant assets.

Older school facilities were seldom designed with modern maintenance methods in mind. The team noted conditions that are particularly troubling at the district's schools, including overgrown landscape planting, narrow or broken sidewalks, cracked parking lots and lots that are excessively small and provide insufficient space to park or turn a vehicle. Because of these obstacles, it is difficult for the grounds crews to adequately service some of these older areas. Systematic elimination of these barriers or rejuvenation of old, unattractive planting and landscaping features may provide for enough open space to allow larger mowers or equipment to access these areas. Modernizing the landscaping plan at each site could benefit the department by improving its ability to deliver more effective service. Modernizing also improves the sites' appearance.

Recommendations

The district should:

1. Update organizational, management, planning, and scheduling procedures for support services to more effectively clean and maintain the district facilities and grounds in line with anticipated growth by using the following methods (a sample organizational structure is included in the appendix section of this report):

Custodial

- Developing a custodial handbook.
- Evaluating all custodial employees (with the Principal if needed).
- Developing all custodial work schedules.
- Procuring all custodial supplies.
- Training all custodians.
- Developing summer cleaning schedules.
- Evaluating all custodial chemicals, supplies and equipment purchased by the district.
- Assuming responsibility for the development of custodial safety classes.

Maintenance and Operations

- Developing a handbook for the Department of Maintenance (M&O) and Operations.
- Providing all safety training for M&O Department employees.
- Prioritizing and assigning all work orders to department employees.
- Communicating with school principals on M&O issues.
- Procuring and purchasing all equipment and supplies needed by the department.
- Evaluating all department employees, including the quality of their work.
- Maintaining ongoing assessments of district buildings and assisting the director in developing the five-year maintenance plan.
- Working with the outside contractors that provide work to the district.
- Providing M&O workers with training.

Grounds

Year Round Projects

- Edging lawns
- Mowing
- Performing preventative Maintenance of grounds equipment
- Aerating turf and lawn areas
- Fertilizing
- Mulching
- Sodding
- Seeding

- Soil testing
- Pruning shrubs, hedges, and shade trees
- Irrigating and watering system

Spring Projects

- Removing leftover leaves and thoroughly cleaning the grounds with particular attention to correcting conditions that damage mowing equipment.
- Planting spring flowers and shrubbery when flower beds can be worked and danger of frost and freezing is over.
- Fertilizing lawns as soil tests and programs dictate need
- Spotting repair turf areas with sod or by overseeding.
- Beginning to mow grass and trimming hedges when new growth appears. *When this activity falls behind schedule, spring weather may not allow for catch up.*
- Pruning early flowering ornamental shrubs after spring blooming is over.
- Checking all hoses, irrigation equipment, time clocks, sprinkler heads and making needed repair and adjustments.
- Identifying damage to paving (concrete and asphalt) on walks and parking lots and playgrounds. Developing a plan for possible capital improvements.

Summer Projects

- Finishing broadleaf weed spraying before the hot weather arrives.
- Inspecting newly sodded or overseeded grass areas or recently planted shrubs and trees and ensuring they have adequate water for growth and survival.
- Ordering and scheduling delivery for replacement trees for next fall and early winter planting.
- Servicing and maintaining leaf removal equipment and testing its operation.
- Making repairs and improvement to damaged concrete and asphalt areas.
- Establishing new lawn seeding in early August, and irrigating as necessary.

Autumn Projects

- Controlling early leaf fall by attaching mulchers to mowers during the final weeks of mowing season.
- Repairing turf with sod as long as soil conditions allow.
- Fertilizing lawns according to district procedures.

- Analyzing replacement and repair needs for next season before storing mowing equipment. Ordering parts and equipment.
- Beginning to clean rain gutters, downspouts and dry well drains.

Winter Projects

- Establishing a protected supply of sand for making sandbags in case of winter flooding or ponding problems.
 - Continuing area cleaning and picking up broken limbs, etc.
 - Cleaning dry wells, catching basins and sweeping sidewalks and parking lots.
 - Ordering spring shrub and tree replacement.
 - Developing or revising lawn care, plant, and pest and weed control schedules for spring and summer. Ordering necessary supplies.
 - Cleaning and repairing all equipment and tools that will be needed for the growing season.
2. Continue to maximize the five-year deferred maintenance program with matching funds from the state.
 3. Utilize any new available funding sources that do not have program use restrictions for major capital facility improvements. The district should also limit the use of district capital funds for new projects that do not address the maintenance needs of all district buildings.
 4. Accelerate the application process for state matching funds for modernization of schools that have state eligibility.
 5. Consider polling the community to gauge public support for mechanisms that will generate local funding sources.
 6. Explore any and all creative methods of funding maintenance and repairs of district schools.
 7. Manage the district's inventory of portable buildings in the district more effectively.
 8. Consider engaging the services of a qualified consultant to provide an asset management plan outlining all the district's property assets, their values and predicted best future use.
 9. Develop a written ADA transition plan that includes following:

- Inventories of all barriers found in district.
- A list prioritizing the work that will be needed to remove these barriers.
- A funding program and a budget to begin correcting some of the ADA barriers.
- A plan for periodic plan reviews.

The ADA plan should be incorporated with the district's annual maintenance and repair activities.

10. Consider increasing the current staffing level for grounds at the high school facility (a sample organizational structure is included in the appendix section of this report).

Facilities Inspections and Expansion Needs

The FCMAT team was asked to visit the following sites to identify expansion needs and maintenance concerns: Santa Margarita Elementary School, Monterey Road Elementary School, Santa Rosa Academic Academy, Atascadero Junior High School, and Atascadero High School. The following is information related to the findings at each school site.

Santa Margarita Elementary School

Facility concerns and planned improvements for the 12.4-acre site include:

- Because of declining enrollment, the site currently has excess capacity, much of which is in old relocatable classrooms. Two of the relocatable classrooms (rooms five and six) have a history of mold problems and are unusable for student housing. The classrooms, which are centrally located on the campus, are used for district storage. These classrooms should be removed, eliminating inefficient, unhealthy space and providing an additional interior courtyard area for the school. An evaluation of rooms 16 through 22 (relocatables) should be conducted to determine whether they should remain in the relocatable classroom inventory or be removed.
- The district plans to make major HVAC improvements at the site during the summer of 2007.
- The fire alarm system is old and needs to be replaced.
- A significant amount of dry rot was evident in the eaves of the permanent buildings.
- It was reported that a strong odor at times emanates from the ground near the cafeteria and bus unloading area. It is assumed to be a problem with the septic system. The district maintenance staff should evaluate this issue more thoroughly.
- The site is large, with much available open space. This may be a location for future expansion or placement of other district programs.

Monterey Road Elementary School

Facility concerns and planned improvements for the 11.92-acre site include:

- The site is irrigated with an old hydraulic system that needs to be replaced. Replacement parts are not available.

- The existing boiler/chiller system is old, inefficient, and needs to be replaced. The system cannot be temperature-balanced to provide a good learning environment for all students. During inclement weather, if classrooms on one end of the school are reasonably comfortable, students at the other end are too hot or cold. The best site staff can hope for is a tolerable level of discomfort for all students.

The district would like to remedy the situation by installing package HVAC units, but the estimated \$350,000 cost is prohibitive. The district should consider seeking critical hardship funding for this extremely serious facility concern.

- The Transite asbestos tile roofs at this site will be badly damaged during the HVAC project and should be fully abated (replaced) concurrent with the HVAC project.
- Connectivity is not a problem at this site, but the power supply may need to be upgraded.
- The ramp to the playground is not ADA compliant and should be replaced.
- Asphalt repair is needed in the parking lot. A Petromat overlay might be a good solution for this situation.

Santa Rosa Academic Academy

Facility concerns and planned improvements for the 12.2-acre site include:

- Canopies and roofs are in poor condition, partially because bicyclists ride on them after hours. Sections sag significantly and have drainage problems.
- Plumbing is a major concern at the site. Gas and water lines are old, thin, and subject to failure.
- One tree in the center of campus needs to be examined and possibly removed because of evidence of disease and possible hazards from falling limbs.
- Drainage is a problem at the site, with many of the turf and walkway areas draining toward buildings.
- The principal indicated that the cafeteria is too small to accommodate the enrollment.
- The power supply to this site needs to be upgraded. Circuits are routinely blown in the cafeteria.
- Dry rot was evident in some locations.
- There is no public address system at this site. This a major safety issue.
- The site has inadequate security lighting.

- The BARD HVAC units on the back of relocatable classrooms face the hard court play area and pose a safety risk to students.
- Because of declining enrollment, this site has excess capacity available. However, it is large and could accommodate future expansion.

Atascadero Junior High School (including Fine Arts Academy site)

The Atascadero Junior High School 16.5-acre site appears to have adequate facilities to support the district's educational program, including the vocational education program focus. Some of these facilities include a science lab, wood shop, metal shop, technology center, library research center, band room, music room, new cafeteria, new performing arts/gymnasium with exercise room and locker rooms, an older gym for overflow activities, and play fields. The Fine Arts Academy operates in the classrooms on the north campus, which is across West Mall Avenue. Following are facilities-related concerns at these sites:

- Site security is an occasional problem because the site is too open at the front. Additional perimeter fencing would be helpful.
- Mold has been a problem in classroom 111 (north campus), and occasional problems have been noted in other locations at various times. However, the district responds quickly to every complaint to ensure that a safe and healthy environment exists.
- A lack of adequate custodial service was evident at this site.
- There is concern regarding the Lewis Avenue Bridge project. The Utilization of Sites section of this report includes discussion of this topic.
- The play fields and track area at this site showed evidence of drainage problems.

Atascadero High School

Although the 29-acre Atascadero High School site has some beautiful new and modernized facilities (administration building, culinary arts facility, weight training room, etc.), several additional facilities improvements are needed to support the district's educational program. In general, the science rooms, performing arts rooms, and shops are all too small and in need of modernization. Asphalt repair was needed throughout the site, landscaping was in disrepair or nonexistent, and ADA compliance was a problem. More specific information is provided below.

- The "B" building is an old, two-story classroom building with no elevator access to the second floor and very small classrooms.
- The science classrooms in the "C" building are small, have asbestos floor tiles, and evidence of dry rot.

- The four relocatable classrooms that house the agriculture education program are old and should be evaluated for possible replacement.
- The performing arts room for the choral program is too small to accommodate the chorus, even for practice. To have a complete practice, another building must be used or the classes meet outside.
- The band room is in a converted performing arts room and is adequately-sized, but may need ensemble rooms.
- The district has added five new dance classes for the 2007-08 year, but operates the program from one standard, 960 square foot relocatable classroom. This is inadequate to meet the needs of this growing program.
- The swimming pool leaks, is not level, and is not adequate for some competitive events such as water polo.
- The tennis courts are in need of repair.
- Asphalt repair/replacement is needed throughout the campus.

Appendices

- A. FCMAT Redevelopment Alert
- B. District Enrollment History
- C. Current Enrollment by School Site
- D. Demographic Report Projected Enrollments
- E. Graph – Historical and Projected Enrollments
- F. Sample Matrix for Maintenance, Operations & Grounds Staffing
- G. Recommended Organizational Structure
- H. Study Agreement



CSIS California School Information Services

Alert

May 30, 2007

FCMAT has received numerous inquiries regarding proper accounting for payments from redevelopment agencies (RDAs) when calculating revenue limit funding for local educational agencies (LEAs)—school districts, county offices of education or community college districts.¹ RDA payments, particularly those received pursuant to AB 1290, may have a significant impact on the calculation of state aid funding received through the principal apportionment. Because a majority of LEA funding is generated from state aid and property taxes, accuracy in accounting for RDA payments is important. This area of accounting can be complex and requires that the RDA or county auditor communicate information to the LEA in a clear and concise manner.

Redevelopment

Redevelopment agencies are governed by provisions in the California constitution and the Health and Safety Code (HSC). RDAs may be created by city or county governments, and the legislative body for most RDAs is the same as that of the city or county: the city council or the county board of supervisors.

Most of an RDA's powers are limited to the boundaries of a redevelopment project area (project).

A single RDA may have multiple project areas. City projects must be entirely within city boundaries, and county projects must include incorporated areas only. All projects may include non-contiguous sub-areas and may be expanded by subsequent amendment of the project's redevelopment plan.

As set forth in statute, the fundamental purposes of redevelopment include the following: (i) eliminate blight which cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment; (ii) expand the supply of low- and moderate-income housing; and (iii) expand employment opportunities for jobless, underemployed and low-income persons.

In accordance with HSC 33670, redevelopment is funded in large part by tax increment financing within project areas. This can include, for example, the diversion to RDAs of future increases in local property tax revenue (compared to a base year) from the affected taxing entities, including school districts, community college districts and county superintendents of schools.² Tax increment revenues received by RDAs are not subject to the limitations imposed by the Gann Limit.

Except for basic aid districts and districts that are 100% locally funded, an LEA's share of RDA tax increment—that is, every dollar of future tax increment diverted to RDAs from LEAs—is typically made up by an equal increase in state aid. This means that growth in the tax base induced by RDAs

¹ Community college districts are subject to revenue levels, not revenue limits. However, state aid funding mechanisms and RDA payment entitlements for community college districts are sufficiently similar to those of other LEAs that college districts are included in this discussion.

² Fiscal authority for the county office of education actually resides in the county superintendent of schools, not the county board of education. However, throughout this discussion, the phrase "county office of education" is used in place of county superintendent of schools.

FCMAT

Joel D. Montero, Chief Executive Officer

1300 17th Street - CITY CENTRE, Bakersfield, CA 93301-4533 • Telephone 661-636-4611 • Fax 661-636-4647

422 Petaluma Blvd North, Suite. C, Petaluma, CA 94952 • Telephone: 707-775-2850 • Fax: 707-775-2854 • www.fcmat.org

Administrative Agent: Larry E. Reider - Office of Kern County Superintendent of Schools

should have no *operating impacts* on LEAs, because new students generated by RDA-induced growth should be funded to the full extent of the LEA's revenue limit.³

However, LEAs have various entitlements to payments from RDA projects to help fund the *facilities impacts* of RDA-induced growth, which are *not* mitigated by funds from the state. These include contractual entitlements (for example, pass-through agreements pursuant to former HSC 33401) and statutory entitlements (such as 2% payments pursuant to former HSC 33676, and AB 1290 entitlements pursuant to HSC 33607.5 and 33607.7).

RDA Pass-Through Entitlements

Prior to passage of AB 1290, which became effective in 1994, pass-through entitlements were typically negotiated with RDAs, with corresponding agreements almost always limiting the use of pass-through payments to the funding of educational facilities. In most counties, payments from pass-through agreements and other negotiated entitlements are received from RDAs directly via warrant.⁴

As an alternative to negotiated agreements, former HSC 33676(a) required that school and college districts (including county offices of education) shall elect to be allocated 2% payments, unless a pass-through agreement was entered into in accordance with former HSC 33401. Two percent payments are the inflationary revenues resulting from growth in the base year value of real property within a project area, as set forth in Revenue and Taxation Code section 110.1(f). This statutory requirement is consistent with Proposition 13 and subsequent initiatives, which state that, in the absence of new construction or certain changes in ownership, assessed value increases in the current fiscal year may not exceed 2% or the annual percentage of increase in the California CPI (from October of the current year to October of the previous year), whichever is less.

However, this statutory requirement applies only to projects adopted between January 1, 1985 and December 31, 1993. Moreover, in the absence of a *formal* 2% resolution adopted by an LEA board prior to approval of the redevelopment plan, many LEAs have not received the 2% payments to which they were entitled. This problem was presumably remedied in *Santa Ana Unified School District v. Orange County Development Agency*, 90 Cal. App. 4th 404 (2001) (Santa Ana decision), in which the court held that 2% payments from projects adopted between 1985 and 1994 were *mandatory* for all LEAs without pass-through agreements, even in the absence of a board resolution. However, some LEAs may have to ask county auditors to implement the Santa Ana decision in their county.

Two percent payments should be received directly from county auditors in a manner similar to regular property taxes. However, county auditors may not identify 2% payments as such, and almost never identify the project areas from which 2% payments are generated. Therefore, LEAs may be receiving 2% payments without knowing it, or may be treating 2% payments as regular property taxes, which they are not.

Prior to passage of SB 617 in 1992, there was no statutory requirement that RDA payments be subject to *revenue limit offset*, whether such payments were received pursuant to pass-through agreements per former HSC 33401 or as 2% payments per former HSC 33676. As noted previously, almost all pass-through agreements contained contractual restrictions limiting the use of pass-through payments to the

³ This is not the case for basic aid districts, for which lost property tax growth diverted to RDAs is not backfilled by the state. This is also not the case for non-basic aid districts when state aid is subject to deficit factors, as was the case during much of the 1990s.

⁴ However, in a few counties County Auditors may make agreement payments on behalf of some RDAs. This is especially likely when the agreement involves a *County* RDA, rather than a *City* RDA.

funding of educational facilities. In addition, prior to SB 617, 2% payments were invariably treated as regular property taxes, which were subject to revenue limit offset.

SB 617 (Revenue Limit Offset)

SB 617 (Chapter 699 of the Statutes of 1992) became effective as an urgency measure on September 14, 1992. Among other things, SB 617 added paragraph (6)—formerly paragraph (7)—to Education Code (EC) Section 42238(h). This paragraph provides for revenue limit offset for amounts received from RDAs:⁵

Except for any amount received pursuant to [former HSC] 33401 or [former HSC] 33676 . . . that is used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance.

This means that amounts received by LEAs pursuant to pass-through agreements or 2% payments are *not* subject to revenue limit offset as long as they are used for educational facilities.

AB 1290

AB 1290 (Chapter 942 of the Statutes of 1993) eliminated the statutory authority to negotiate new pass-through agreements or receive 2% payments in new project areas adopted or added after January 1, 1994. In their place AB 1290 created new statutory pass-through entitlements (i) in post-1994 Projects (per HSC 33607.5); (ii) in pre-1994 projects (per HSC 33607.7) which are subsequently amended to extend certain time or financial limits (but only if no agreement exists that requires payments to the affected taxing entity); and (iii) in pre- or post-1994 projects for LEAs that are basic aid or 100% locally funded (per HSC 33676(b)).^{6 7}

In many counties, AB 1290 payments are made directly by the RDA via warrant. In these counties, AB 1290 payments are often made *in the year following the year for which the payments are due*. And in some cases, RDAs may owe AB 1290 payments but not make them.

In some other counties, AB 1290 payments are made by the county auditor on behalf of RDAs, in a manner similar to 2% payments and regular property taxes. In yet other counties, AB 1290 payments are made by the county auditor for some projects and by the RDA for other projects. As is the case with 2% payments, AB 1290 payments made by the county auditor may not be identified by project area.⁸

⁵ The provisions of EC 42238(h)(6) presumably do not apply to other contractual RDA payments that involve expenditures by RDAs (e.g., facilities or development agreements) for the benefit of LEAs, that are not deemed to be “received” by LEAs.

⁶ AB 1290 expressly grandfathers pass-through agreements executed prior to January 1, 1994, and the Santa Ana Decision confirms that LEAs are still entitled to receive 2 percent payments from eligible Projects in the absence of a pass-through agreement.

⁷ Statute prohibits receipt of AB 1290 payments and pass-through agreement payments from the same Project and for the same year. *However, there is no prohibition on simultaneous receipt of AB 1290 payments and 2 percent payments.* Hence, some LEAs (e.g., in Contra Costa County) receive AB 1290 payments per HSC 33607.7 and 2 percent payments per former HSC 33676(a) from the same Projects adopted between 1985 and 1994.

⁸ For LEAs that receive both AB 1290 payments and 2 percent payments from the County Auditor, not identifying the Project generating the payments may present a special challenge. As noted below, AB 1290 payments are subject to partial revenue limit offset (while 2 percent payments are not).

For non-basic aid districts, AB 1290 also amended EC 42238(h)(6) to provide for revenue limit offset for AB 1290 payments received pursuant to HSC 33607.5 and 33607.7:⁹

Except for any amount received pursuant to . . . paragraph (4) of subdivision (a) of [HSC] 33607.5, or . . . 33607.7 . . . that is allocated exclusively for educational facilities.

For purposes of the revenue limit computation, HSC 33607.5(a)(4)(A)-(D) specifically states the percentage of AB 1290 payments to school districts, community college districts, and county offices of education that shall be considered property taxes and the percentage that shall not be considered property taxes and shall be available for educational facilities.

The following table provides the percentages for AB 1290 payments to each type of non-basic aid LEA as well as applicable sections of the Health and Safety Code and Education Code:¹⁰

LEA	Health and Safety Code	Education Code	% Property Tax	% Non-Property Tax
School District	33607.5(a)(4)(A)	42238 (h)(6)	43.3%	56.7%
Community College District	33607.5(a)(4)(B)	84751(d)	47.5%	52.5%
County Office of Education/ Special Education	33607.5(a)(4)(C)-(D)	2558(c)	19.0%	81.0%

The above percentages apply to AB 1290 payments *received* by a non-basic aid LEA per HSC 33607.5 or 33607.7. Therefore, if an RDA underpays its AB 1290 obligation (which is often the case), the property tax percentages shown above only apply to the amount the LEA actually receives.

In summary, each RDA payment entitlement has its own revenue limit offset requirements, including zero percent offset for pass-through agreements and 2% payments, depending on the type of LEA. Moreover, an LEA's ability to properly identify the specific revenue limit offset requirement may depend on whether payments are made by the RDA or the county auditor.

When LEAs receive payments directly from the RDA, the RDA should provide a remittance advice identifying each payment or payment component by type of entitlement and by project area. The RDA should also identify the fiscal year *for* which the payment is made, as well as provide backup documentation showing how the payments were calculated.

When LEAs receive payments directly from the county auditor, the county auditor and county office of education should use the correct object code in posting the payment to the LEA's general ledger (see below) and identify each posting by type of entitlement and project area. The county auditor should also identify the fiscal year *for* which the payment is made and provide backup documentation showing how the payments were calculated.

FCMAT is providing guidance in this area to ensure that LEAs are consistent in applying the statutes to the revenue limit calculations involving RDA payments. In addition, it is critical that LEAs follow up with each RDA or county auditor when the situation warrants such a discussion.

⁹ AB 1290 or subsequent clean up legislation similarly amended EC 2558(c) and 56712 for county offices of education and special education, and EC 85751(d)—formerly paragraph (e)—to provide for partial revenue limit (level) offset for these LEAs.

¹⁰ For basic aid LEAs, 100 percent of AB 1290 payments may be used for operations or facilities (or both) without any offset in the revenue limit (level). Basic aid LEAs are also entitled to additional AB 1290 payments per current EC 33676(b).

Accounting Recommendations

When an LEA receives a warrant from the RDA or a notice from the county office of education that RDA payments have been deposited in the county treasury, the LEA should post RDA payments received to the appropriate accounts. For the portion of RDA payments received which are subject to revenue limit offset, the correct object code for a school district or county office of education is 8047, Community Redevelopment Funds. For the portion of RDA payments received which is not subject to revenue limit offset, the appropriate object code is 8625, Community Redevelopment Funds Not Subject to Revenue Limit Deduction. However, object code 8625 is restricted in the general fund or may be used with Resource 0000 in Fund 21 (Building Fund) or Fund 25 (Capital Facilities Fund).¹¹

In some counties, county auditors post revenue limit offset amounts from RDA payments on behalf of LEAs. This can be convenient; however, care must be taken to ensure that such revenue limit offset postings are made correctly.

In some counties, county auditors also use form J-29 or form CCFS-329 to report on behalf of LEAs the revenue limit offset amounts from RDA payments. However, because there are no line items on these forms to report RDA-related revenue limit offsets, county auditors will typically include such offsets in secured property taxes or in some other manner not apparent to either LEAs or the state. Therefore, care must also be taken to ensure that RDA-related revenue limit offsets made by county auditors are reported correctly and not duplicated by LEAs or by county offices of education on behalf of LEAs.

¹¹ For community college districts, the portion of RDA payments received which are not subject to revenue level offset should be posted using Object Code 8890, as restricted in Fund S12, or Capital Projects Fund 40 (or Capital Outlay Projects Fund 41). The portion of RDA payments which are subject to revenue level offset doesn't have its own object code, but should presumably be posted using (say) object code 8811 to the District's General Fund using Fund S11.

Appendix C

**ATASCADERO UNIFIED SCHOOL DISTRICT
2006/07 ENROLLMENT, BY SCHOOL**

School Name	Site Code	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
Atascadero Junior High	6042931	0	0	0	0	0	0	0	384	348	0	0	0	0	732
Carrisa Plains Elementary	6042907	6	3	3	5	3	6	7	5	3	0	0	0	0	41
Creston Elementary	6042915	7	20	11	12	17	11	14	0	0	0	0	0	0	92
Del Rio Continuation High	4030151	0	0	0	0	0	0	0	0	0	0	0	26	56	82
Fine Arts Academy	6117980	0	0	0	0	62	64	61	29	26	0	0	0	0	242
Monterey Road Elementary	6042949	57	61	59	60	57	57	61	0	0	0	0	0	0	412
San Benito Elementary	6111058	72	52	57	72	63	61	83	0	0	0	0	0	0	460
San Gabriel Elementary	6107544	80	77	76	79	65	64	92	0	0	0	0	0	0	533
Santa Margarita Elementary	6042956	40	36	40	40	42	41	42	0	0	0	0	0	0	281
Santa Rosa Road Academic Academy	6042964	60	59	61	60	63	59	62	0	0	0	0	0	0	424
West Mall Alternative	4030102	4	5	4	2	3	3	4	1	7	3	20	13	13	82
Atascadero High	4030755	0	0	0	0	0	0	0	0	0	403	434	409	403	1,649
ATASCADERO UNIFIED	4068700	326	313	311	330	375	366	426	419	384	406	454	448	472	5,030

Source: Atascadero Unified School District Enrollment Reports at <http://data1.cde.ca.gov/dataquest/>.

ATASCADERO UNIFIED SCHOOL DISTRICT
20-YEAR PROJECTED ENROLLMENT*

Year	K		1		2		3		4		5		6		7		8		9		10		11		12		K-6		7-8		9-12		Total							
	Enr.	%	Enr.	%	Enr.	%	Enr.	%	Enr.	%	Enr.	%	Enr.	%	Enr.	%	Enr.	%	Enr.	%	Enr.	%	Enr.	%	Enr.	%	Enr.	%	Enr.	%	Enr.	%	Chg.	%						
2006/07	326	3.13	313	3.11	330	3.75	366	4.26	419	3.84	406	4.54	448	4.72	2,447	803	60	7.47%	1,780	-100	-5.62%	4,980	-50	-0.99%																
2007/08	329	3.42	321	3.16	367	3.83	379	4.42	421	3.90	403	4.46	441	2,437	-10	-0.41%	863	60	7.47%	1,680	-100	-5.62%	4,980	-50	-0.99%															
2008/09	332	3.40	348	3.28	341	3.74	390	3.86	440	4.28	386	3.98	439	2,453	16	0.66%	826	-37	-4.29%	1,651	-29	-1.73%	4,930	-50	-1.00%															
2009/10	338	3.43	348	3.56	365	3.81	398	3.88	448	4.24	382	3.93	439	2,480	27	1.10%	786	-40	-4.84%	1,647	-4	-0.24%	4,913	-17	-0.34%															
2010/11	344	3.50	351	3.55	382	3.73	357	3.89	399	3.96	444	4.20	378	2,512	32	1.29%	788	0	0.25%	1,638	-9	-0.55%	4,938	25	0.51%															
2011/12	352	3.56	357	3.59	383	3.89	380	3.63	385	4.06	392	4.39	414	2,576	64	2.55%	748	-40	-5.08%	1,651	13	0.79%	4,975	37	0.73%															
2012/13	359	3.63	363	3.64	387	3.90	396	3.87	362	3.92	402	3.88	432	2,622	46	1.79%	749	7	0.93%	1,614	-37	-2.24%	4,985	10	0.20%															
2013/14	363	3.69	368	3.74	395	3.98	398	4.01	380	3.67	388	3.97	382	2,649	27	1.03%	781	32	4.27%	1,534	-80	-4.96%	4,964	-21	-0.42%															
2014/15	367	3.73	375	3.74	395	3.98	398	4.01	399	3.85	363	3.83	391	2,680	31	1.17%	800	19	2.43%	1,522	-12	-0.78%	5,002	38	0.77%															
2015/16	371	3.77	378	3.79	401	4.01	401	4.03	402	3.97	403	3.80	358	2,710	30	1.12%	799	-1	-0.13%	1,517	-5	-0.33%	5,026	24	0.48%															
2016/17	375	3.81	382	3.83	406	4.07	406	4.07	398	4.02	398	3.75	353	2,740	30	1.11%	805	6	0.75%	1,528	11	0.73%	5,073	47	0.94%															
2017/18	375	3.85	385	3.86	409	4.11	411	4.10	402	4.02	396	3.92	369	2,762	22	0.80%	812	7	0.87%	1,559	31	2.03%	5,133	60	1.18%															
2018/19	378	3.85	389	3.90	412	4.14	415	4.15	405	4.06	396	3.90	386	2,783	21	0.76%	820	8	0.99%	1,578	19	1.22%	5,181	48	0.94%															
2019/20	381	3.88	390	3.94	417	4.18	419	4.20	411	4.09	401	3.91	384	2,807	24	0.86%	831	11	1.34%	1,585	7	0.44%	5,223	42	0.81%															
2020/21	384	3.91	393	3.94	421	4.22	423	4.23	416	4.15	404	3.95	385	2,828	21	0.75%	839	8	0.96%	1,599	14	0.88%	5,266	43	0.82%															
2021/22	386	3.94	396	3.98	421	4.26	428	4.28	419	4.20	410	3.98	389	2,849	21	0.74%	847	8	0.95%	1,617	18	1.13%	5,313	47	0.89%															
2022/23	385	3.97	399	4.01	425	4.27	432	4.32	423	4.23	415	4.04	392	2,866	17	0.60%	855	8	0.94%	1,634	17	1.05%	5,355	42	0.79%															
2023/24	387	3.95	401	4.03	427	4.29	432	4.35	427	4.27	417	4.08	397	2,874	8	0.28%	862	7	0.82%	1,649	15	0.92%	5,385	30	0.56%															
2024/25	388	3.96	399	4.05	430	4.32	434	4.34	435	4.30	421	4.11	401	2,884	10	0.35%	865	3	0.35%	1,663	14	0.85%	5,412	27	0.50%															
2025/26	389	3.98	401	4.04	432	4.34	437	4.38	430	4.34	424	4.14	404	2,895	11	0.38%	868	3	0.35%	1,676	13	0.78%	5,439	27	0.50%															
2026/27	390	3.99	402	4.05	430	4.37	439	4.40	432	4.33	428	4.18	407	2,902	7	0.24%	872	4	0.46%	1,686	10	0.60%	5,460	21	0.39%															

*Note: Data entered in whole numbers from printed Atascadero Unified School District Demographic Study and may vary from printed report slightly due to rounding.

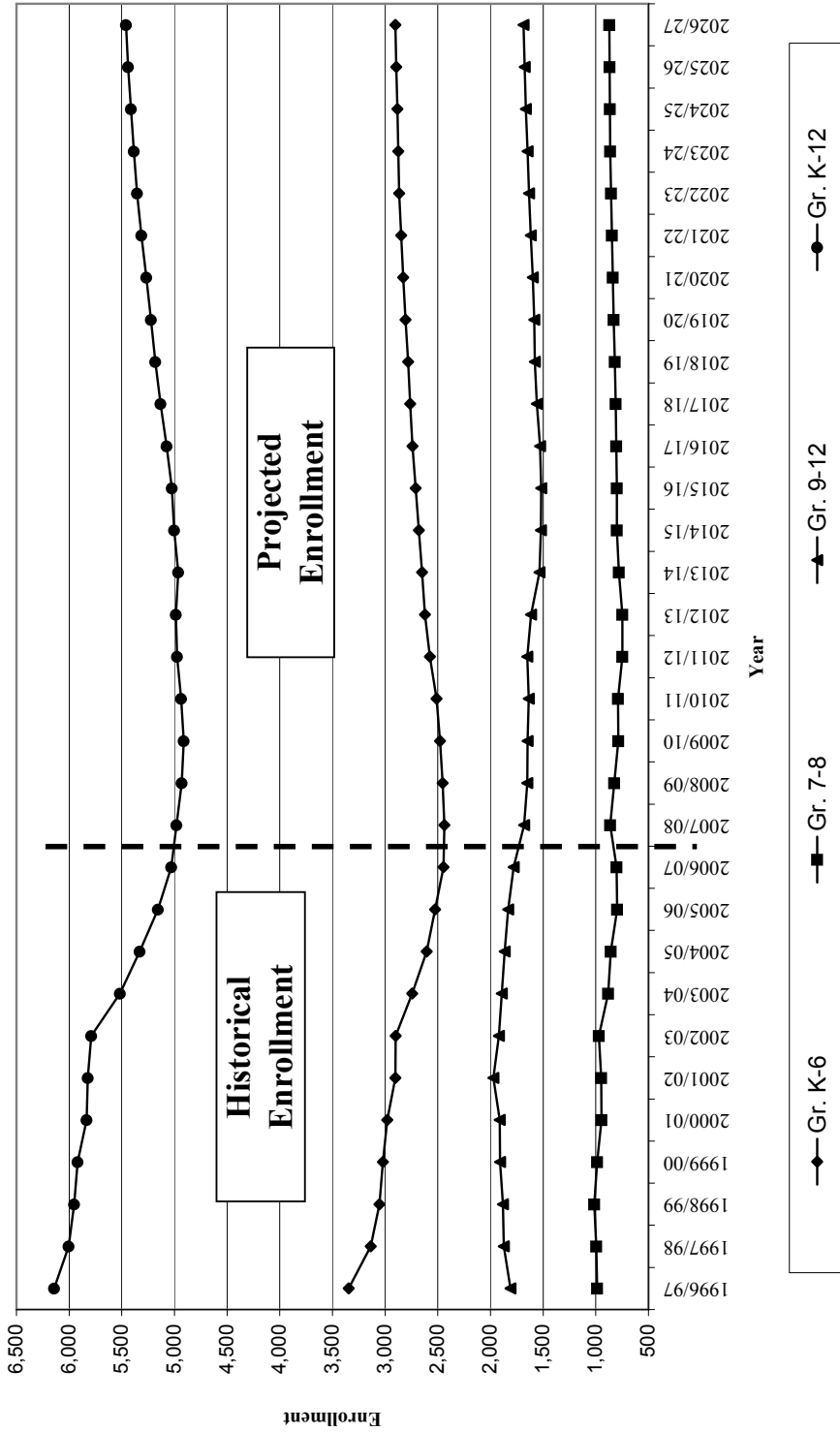
Total and Average Annual Changes, by Grade Group, for Various Time Periods

Years	Grades K-6		Grades 7-8		Grades 9-12		Grades K-12	
	No.	%	No.	%	No.	%	No.	%
Years 2006/07 - 2011/12								
Average Annual Change during 5-Year Period	26	1.04%	-11	-1.30%	-26	-1.47%	-11	-0.22%
Total 5-Year Change	129	5.27%	-55	-6.85%	-129	-7.25%	-55	-1.09%
Years 2011/12 - 2016/17								
Average Annual Change during 5-Year Period	33	1.24%	11	1.49%	-25	-1.52%	20	0.39%
Total 5-Year Change	164	6.37%	57	7.62%	-123	-7.45%	98	1.97%
Years 2016/17 - 2021/22								
Average Annual Change during 5-Year Period	22	0.78%	8	1.02%	18	1.14%	48	0.93%
Total 5-Year Change	109	3.98%	42	5.22%	89	5.82%	240	4.73%
Years 2021/22 - 2026/27								
Average Annual Change during 5-Year Period	11	0.37%	5	0.58%	14	0.84%	29	0.55%
Total 5-Year Change	53	1.86%	25	2.95%	69	4.27%	147	2.77%
Years 2006/07 - 2026/27 (20-YEAR PROJECTION PERIOD)								
Average Annual Change	23	0.86%	3	0.45%	-5	-0.25%	22	0.41%
Total 20-Year Change	455	18.59%	69	8.59%	-94	-5.28%	430	8.55%

Sources: Year 2006/07 enrollment from <http://data1.cde.ca.gov/dataquest/>; Years 2007/08 through 2026/27, Atascadero Unified School District Demographic Study (Feb. 2007). Summary information, FCMAAT.

Appendix E

ATASCADERO UNIFIED SCHOOL DISTRICT
HISTORICAL AND PROJECTED ENROLLMENT, 1996/97 - 2026/27



Sources: Year 2006/07 enrollment from <http://data1.cde.ca.gov/dataquest/>. Years 2007/08 through 2026/27, Atascadero Unified School District Demographic Study (February, 2007)

Appendix F
Sample Matrix for Maintenance, Operations & Grounds Staffing

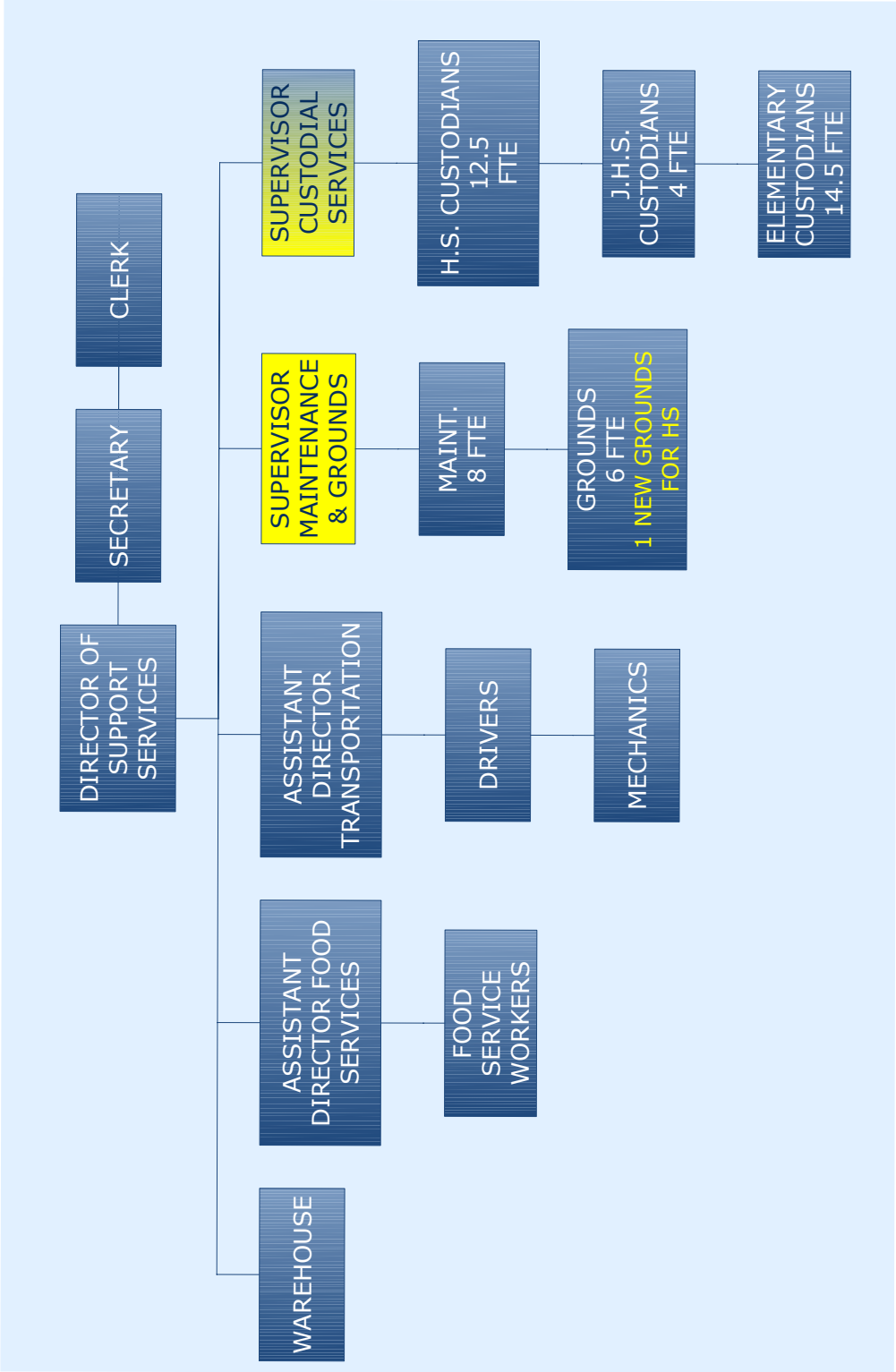
FTE Coverage	National Median	< 1,000 Students	1,000 -3,499 Students	>3,500 Students
Area Maintained Per Full-Time Custodian	24,167 sq. ft.	29,959 sq. ft.	29,900 sq.ft	20,000 sq.ft
Area Maintained By Full-Time Maintenance Worker	95,120 sq. ft.	74,898 sq. ft.	116,660 sq. ft.	92,500 sq.ft
Number of Acres Per Full-Time Grounds Worker	36 acres	18 acres	60 acres	60 acres
Building Area Maintained Per Student	169.85 sq. ft.	197 sq. ft.	184. sq.ft.	140 sq. ft
Area Maintained Per Building Site	52,000 sq.ft.	23,014 sq. ft	62,500 sq. ft	57,781 sq. ft

Sample Matrix for Maintenance, Grounds, and Operations Staffing

Size of District

The matrix data represents national averages and California schools are most likely higher where labor and material costs are higher than the rest of the U.S.

Appendix G Recommended Organizational Structure



FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
April 20, 2007

The FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM (FCMAT), hereinafter referred to as the Team, and the **Atascadero Unified School District**, hereinafter referred to as the District, mutually agree as follows:

1. BASIS OF AGREEMENT

The Team provides a variety of services to school districts and county offices of education upon request. The District has requested that the Team provide for the assignment of professionals to study specific aspects of the Atascadero Unified School District operations. These professionals may include staff of the Team, County Offices of Education, the California State Department of Education, school districts, or private contractors. All work shall be performed in accordance with the terms and conditions of this Agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

The scope and objectives of this study are to:

- 1) Utilize the demographic report recently received by the District as the basis for projected student enrollments for the following Atascadero Unified School District schools:
 - Santa Rosa Academic Academy
 - Monterey Road Elementary
 - Santa Margarita Elementary
 - Atascadero Junior High School
 - Atascadero High School
- 2) Conduct site visits and observations in order to verify the current physical condition of the sites and utilization of existing facilities.
- 3) Identify maintenance issues and facility expansion needs that should be addressed and completed at the five sites by the District in order to prepare for the projected increases in the student populations.

B. Services and Products to be Provided

- 1) Orientation Meeting - The Team will conduct an orientation session at the District to brief District management and supervisory personnel on the procedures of the Team and on the purpose and schedule of the study.
- 2) On-site Review - The Team will conduct on-site inspections at the five school sites named in the scope of work.
- 3) Progress Reports - The Team will hold an exit meeting at the conclusion of the on-site review to inform the District of significant findings and

recommendations to that point.

- 4) Exit Letter - The Team will issue an exit letter approximately 10 days after the exit meeting detailing significant findings and recommendations to date and memorializing the topics discussed in the exit meeting.
- 5) Draft Reports - Sufficient copies of a preliminary draft report will be delivered to the District administration for review and comment.
- 6) Final Report - Sufficient copies of the final study report will be delivered to the District following completion of the review.

3. PROJECT PERSONNEL

The study team will be supervised by Anthony L. Bridges, Deputy Executive Officer, Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The study team may also include:

- A. Barbara Dean, FCMAT Deputy Administrative Officer
- B. Eric Smith, FCMAT Consultant
- C. Jamie Perry, FCMAT Consultant
- D. FCMAT Facility Maintenance Consultant

Other equally qualified consultants will be substituted in the event one of the above noted individuals is unable to participate in the study.

4. PROJECT COSTS

The cost for studies requested pursuant to E.C. 42127.8(d)(1) shall be:

- A. \$500.00 per day for each Team Member while on site, conducting fieldwork at other locations, preparing and presenting reports, or participating in meetings.
- B. All out-of-pocket expenses, including travel, meals, lodging, etc. Based on the elements noted in section 2 A, the total cost of the study is estimated at \$12,000. The District will be invoiced at actual costs, with 50% of the estimated cost due following the completion of the on-site review and the remaining amount due upon acceptance of the final report by the District
- C. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT services are payable to Kern County Superintendent of Schools-Administrative Agent.

5. RESPONSIBILITIES OF THE DISTRICT

- A. The District will provide office and conference room space while on-site reviews are in progress.
- B. The District will provide the following (if requested):

- 1) A map of the local area
- 2) Existing policies, regulations and prior reports addressing the study request
- 3) Current organizational charts
- 4) Current and four (4) prior year's audit reports
- 5) Any documents requested on a supplemental listing

C. The District Administration will review a preliminary draft copy of the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the Team prior to completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAT will have limited contact with District pupils. The District shall take appropriate steps to comply with EC 45125.1(c).

6. PROJECT SCHEDULE

The following schedule outlines the planned completion dates for key study milestones:


Orientation:	May 30, 2007
Staff Interviews:	May 30-31, 2007
Exit Interviews:	May 31, 2007
Preliminary Report Submitted:	July 15, 2007
Final Report Submitted:	to be determined
Board Presentation:	to be determined

7. CONTACT PERSON

Please print name of contact person: Jackie Martin, Assistant Superintendent of Business

Telephone 805 462-4200 FAX 805 466-2941

Internet Address jmartin@atas.k12.ca.us



 John Rogers, Superintendent
 Atascadero Unified School District
 Date 4-25-07



 Barbara Dean, Deputy Administrative Officer
 Fiscal Crisis and Management Assistance Team
 Date April 20, 2007

In keeping with the provisions of AB1200, the County Superintendent will be notified of this agreement between the District and FCMAT and will receive a copy of the final report.

