

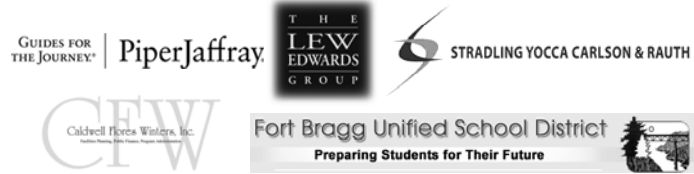


## ***Properly Using Proposition 39 Bond Funds to Improve Your District October 7, 2008***

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**Moderator:** *Jeffrey Baratta, Managing Director  
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Catherine Lew, Esq.  
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Superintendent Steve Lund (ret.)  
Fort Bragg Unified School District*



## ***Permissible Uses of General Obligation Bond Revenue***

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## ***Permissible Uses of General Obligation Bond Revenue***

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- **New Construction**
- **Repair and Renovation of Existing Structures**
- **Equipping and Furnishing Classrooms**
- **Energy and Safety System Upgrades, including:**
  - **Heating**
  - **Air Conditioning**
  - **Lighting**
  - **Fire Alarms/Systems**
  - **Plumbing**
  - **Communications Systems**
  - **Electrical Systems**
  - **Technology Systems**

3



## ***Impermissible Uses of General Obligations Bond Dollars***

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- **Administrator, Teacher or any other types of Salaries**
- **Instructional Materials or items that are not classroom “fixtures”**
- **Educational programs**
- **Political Consultants or Partisan Activity**

4



## ***Legal Issues and Real-Life Applications of Proposition 39***

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- **Cost of election**
- **District overhead related to bond project administration**
- **COC maintenance costs – audits, staff**
- **Reimbursement of pre-bond expenses**
- **Refinance leases**
- **Making lease payments on COPs**
- **Endowments**
- **Maximizing arbitrage to offset other capital costs**

5



## ***Can Bond Funds be used to relieve the General Fund?***

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- **Upgrading your District's heating, air conditioning, and lighting systems, to "greener" and more energy-efficient operations decreases overall operating costs.**
- **District staff or consultant time -- strictly limited to duties related to the implementation and oversight of a Bond – are typically paid for, with Bond funds.**
- **By successfully passing a Bond, funds that would otherwise be spent to improve school facilities are supported through the community.**

6



## ***District Case Study – Fort Bragg Unified School District***

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### **Initial Bond Election 2003**

- **First Bond Election in District in over 40 years**
- **Hired a financial advisor to guide the process**
- **Master plan completed to identify district needs**
- **Organized elements as Mandatory, Necessary, and Desirable to guide scope and financial decision making**

7



## ***District Case Study – Fort Bragg Unified School District***

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### **Initial Bond Election 2003 - continued**

- **Conducted voter survey to identify essential elements community would support and determine tax threshold**
- **Included information about being eligible for additional State funds- critical hardship, modernization etc. throughout campaign.**
- **Placing bond on ballot followed a very difficult period of negotiations- used concept as means to bring district together.**
- **Bond passed at 63%+ for 22.3 million**

8



## ***District Case Study – Fort Bragg Unified School District***

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### **Bond 2008**



- **Cost escalation, changes in scope and dry rot led to need for additional funding.**
- **Used successful record of work completed to date along with adding the concept of solar energy to present bond proposal to community.**
- **Modernization of Dana Gray Elementary and Fort Bragg High School.**
- **Retrofit all schools for renewable energy/photovoltaic system**



## ***District Case Study – Fort Bragg Unified School District***

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### **Bond 2008-continued**



- **Provide local match for additional State funds- hardship, modernization, and CTE Bond funds.**
- **Bond passed with 67%+ for additional 16 million**
- **Program since 2003 has garnered a total of approximately 60 million dollars in funding for FBUSD facility needs.**





## ***District Case Study – Fort Bragg Unified School District***

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### **Oversight Committee and Integrity**

**Community Perception of District/Superintendent/Board**

**Independent Oversight Committee - minimum of seven members with certain member requirements**

- **Meets Quarterly**
- **Annual review of Fiscal/Performance Audits**
- **Publish annual report to community**
- **Biannual review with architect and financial advisors to establish priorities, make changes in the implementation plan and keep Board of Trustees and community informed**

11



***Reaching Your Goal of a  
Successful Election  
and Keeping Your Promises  
to the Community***

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10



## *Effective School Bond Messaging Used During this Campaign Cycle*

- “The state’s \$17 Billion Dollar budget threatens our local schools and quality education. This bond maintains educational quality in our local schools.”
- “This Bond attracts and retains quality teachers.”
- “This Bond expands job training and vocational education opportunities.”
- “This Bond fights gangs and drugs.”
- “This Bond increases Fiscal Accountability.”

13



## *Examples of Effective Bond Language Used this Election Cycle*

- **NEIGHBORHOOD SCHOOL SAFETY AND CLASSROOM REPAIR MEASURE.** “To repair and upgrade neighborhood schools and sites, retain/attract excellent teachers, keep students from gangs/drugs by upgrading....
- **STUDENT SAFETY; VOCATIONAL EDUCATION; CLASSROOM REPAIR MEASURE;** To recruit excellent teachers, instill discipline, keep kids from gangs, qualify for state matching grants by....
- **SCHOOL SAFETY, TEACHER RECRUITMENT AND RETENTION, EDUCATION IMPROVEMENT, FISCAL ACCOUNTABILITY MEASURE.** To improve health/safety and recruit/retain teachers at elementary/middle schools by improving student safety....

14



## ***HIGHLIGHTING “OF THE MOMENT MESSAGES” OF CONCERN TO YOUR PUBLIC***

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- **In today’s tough economic times, voters are concerned about the effect of state budget cuts on local education**
- **Teachers enjoy unique credibility and resonance with the public**
- **Schools today are much more than strictly academic places of learning – they are places where kids stay healthy and have places to learn and be away from the influence of gangs/drugs**
- **The local stimulus that a bond provides is also a resonant message**

15



## ***THE IMPORTANCE OF HIGHLIGHTING FISCAL ACCOUNTABILITY***

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- **Voters want projects completed “on-time” and within budget**
- **Voters don’t want administrators to benefit from the bond through salary increases**
- **Voters value a very high level of fiscal accountability – though Proposition 39 requires this accountability, fiscal accountability provisions cannot be stated or restated enough and should be prominently featured in any District Information or Partisan Campaign messaging**

16



## *Current Trends to be Aware Of*

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- **Concern about issues such as gas, energy and food prices have reached 80 to 90 percentiles**
- **The absentee vote continues to grow**
- **More agencies (not just schools) are seeking ballot box approvals – there is greater competition for taxpayer dollars**
- **Many Districts require sequential bonds – keeping your community promises is critical**

17



## *Questions/Answers & Discussion*

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18

## *How to reach us...*



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