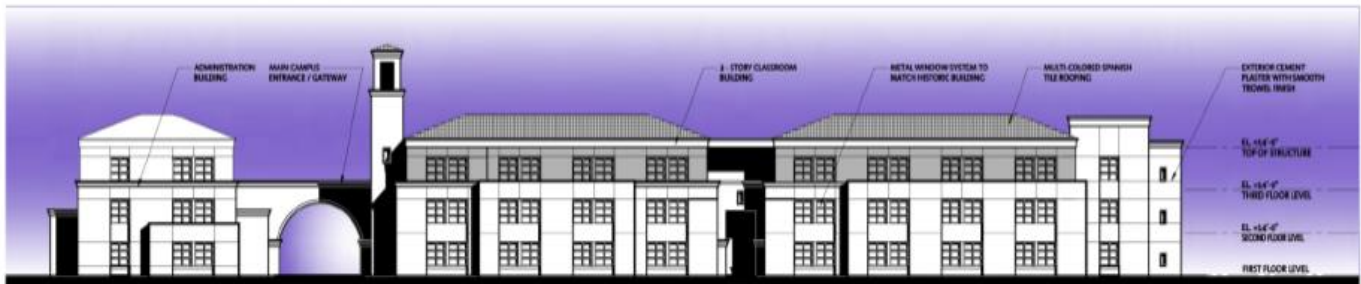




October 2017



SANTA MARIA
JOINT UNION
HIGH SCHOOL
DISTRICT

RECONFIGURATION AND FACILITIES PROGRAM

6th Status Report on the Reconfiguration and Facilities Program to the Board of Education



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SECTION 1

PROGRAM OVERVIEW

1.1 INTRODUCTION

Caldwell Flores Winters, Inc. (“CFW”) is pleased to present this status report on the Reconfiguration and Facilities Program (“Program”) to the Santa Maria Joint Union High School District (“District”) Board of Education (“Board”). The Program serves as a blueprint for planned improvements that aid in the creation of 21st century learning environments and innovative academic initiatives for all students served by the District and its four high schools. Combined, the Program formalizes an educational, capital, and financing strategy that matches the District’s vision and goals, and establishes the specifications for future capital facilities.

This semi-annual update report integrates the District’s vision for education initiatives with the ongoing educational program, and builds on the Reconfiguration and Facilities Program (2014) and the Master Schools Improvement Program (2016) which further defined and detailed proposed improvements. It provides funding and sequencing updates utilizing both the remaining Measure “C-2004” bond funds and the recently approved Measure “H” bond program, as well as other local funds, and state school facilities program grants.

To assist in coordinating the implementation of the Program, the District selected CFW to serve as its Program Manager to guide the District in the procurement of qualified professionals to establish a Program Team and to lead the design and implementation of the overall Program. As required, the following six-month update chronicles the activities of CFW in cooperation with District staff and Program Team to implement the overall program.

As adopted by the Board, the focus of the Program is to:

- enhance career pathway educational programs and develop new career technical facilities
- upgrade classroom facilities and improve digitally interactive learning environments for every teacher and student Districtwide
- construct new classrooms to replace aging portables and renovate existing classrooms to support 21st century learning
- implement new support facilities to complement enhanced educational programming and technology

The Program is designed to transform the District’s four high schools over two project phases following an analysis of the District’s educational vision, facility needs, capital and financing options, essential

specifications, and implementation requirements. Phase 1 facility improvements have all been substantially advanced at this time and consist of:

- designing and constructing a 38-classroom facility at Righetti High to replace outdated portable classrooms with 21st century learning environments
- constructing a Performing Arts Center at Pioneer Valley High for assembly and performance space during school and after school hours for student and community use
- developing a Career Technical Education and Agricultural Farm (CTE Center/Ag Farm) facility on a new District property for capstone classes that transition students from Grade 12 to college and/or high-demand jobs
- creating digitally interactive 21st century learning environments for every teacher and student districtwide and upgrading classroom facilities to integrate infrastructure and mobile devices

Phase 2 facility improvements include:

- reconstruction of the Santa Maria High School campus into a 21st century learning facility reflective of its heritage, including restoration of the historic Ethel Pope Auditorium, and facilities available at companion high schools
- renovation of existing permanent classrooms at Pioneer Valley High and Righetti High to achieve similar 21st century functionality to newly constructed District facilities
- construction of an CTE Pavilion at the CTE Center/Ag Farm to meet educational requirements for student demonstrations and exhibits in support of the District's academic pathway programs
- construction of a new dual use facility and support facilities at Righetti High School to expand physical education, performance and educational support space

A summary of activities for the education program, facilities program, and project funding is provided below.

1.1.1 EDUCATION PROGRAM

The District has completed its third year of educational program implementation activities related to the development of pathways at each of the high schools. During the 2016-17 school year, the District made significant progress in developing these programs. Much of the work undertaken this year has provided for the foundation of new pathways and will continue over the course of the next few years. Significant milestones include: development of sequence of courses for each of the identified pathways within ten industry sectors; development of new partnerships with new industry leaders; creating stronger linkages with Allan Hancock Community College (AHC), Santa Barbara County Education Office (SBCEO), the Workforce Investment Board, and the Santa Maria Chamber of Commerce; obtaining needed CTE certifications for teachers to teach specific pathway courses; and purchasing of materials and equipment that are used within the industry thereby providing for significant improvements in existing CTE courses and for newly created pathway programs. All of these achievements will provide students with engaging

learning experiences and opportunities that mirror the workforce and, in some cases, provide for industry certifications.

Over the next several years, the District will continue to develop and make modifications to the pathway programs and build upon the successes of this year. Activities over the next six months will include the launching of the Engineering Pathway at Santa Maria High School and the Environmental Resources Pathway at Righetti High School, and strengthening the Patient Care Pathway at Pioneer Valley High School. Continuing efforts will be undertaken to support teachers in obtaining CTE certifications and providing ongoing identified staff development, revamping pathways to meet the new requirements of the CTE Perkins funding, continued development of linkages with local industry leaders such as AHC, Santa Barbara County Education Office, the Workforce Investment Board and the Santa Maria Chamber of Commerce. Awareness and recruitment strategies will continue to be developed to inform incoming students of available pathways, while on-going meetings will continue to be held with the Advisory Committees for input as the design process moves forward for the facility projects the District is currently designing and planning.

1.1.2 FACILITIES PROGRAM

Over the last six months, the selection of an architect for the Santa Maria High School Reconstruction Project was completed as well as the conceptual design for a three-increment design process, including the construction of new facilities, modernization of existing facilities, and the restoration of Ethel Pope Auditorium. The conceptual design was further refined to accommodate additional feedback to the planned classroom, administration and support spaces and was presented to the Board for approval in September 2017. Based on conceptual design efforts, refinements to the administration and classroom building were made which have increased the program for the new facilities by approximately 11,000 square feet. Refinements include additional administration and student services uses as well additional classrooms and educational support facilities. Efforts were also launched to select a firm to provide lease leaseback preconstruction and construction services for the Santa Maria High School Reconstruction Project, with recommendations anticipated to be presented to the Board in November 2017.

Righetti High School improvements continue to move forward. Construction efforts are underway for the new 38-classroom building. The project is currently on schedule for substantial completion and occupancy by January 2019. A funding application for the 38-classroom building project has been prepared for the District to submit to the Office of Public School Construction (OPSC), and for State grant reimbursements. Among the most notable of planned Phase 2 improvements at Righetti High School, is the transformation of the school's existing library into a 21st century Student Information Center and the transformation of the existing classrooms into 21st century learning environments comparable to those of the new 38 classroom building. Efforts have begun and will continue over the next six months, with CFW working with the District to refine the vision for the planned improvements to the library and existing classrooms in order to commence a selection process for architectural services, followed by the selection of a lease leaseback preconstruction and construction services firm.

The District Performing Arts Center (PAC) at Pioneer Valley High School is now complete and being prepared for occupancy. Support has been provided to the District in resolving delay claims relating to the completion of the PAC which are expected to be resolved and any changes to budgets will be incorporated in the next six-month update.

The CTE Center/Ag Farm project design plans were submitted to the Division of the State Architect (DSA) in March 2017, with final DSA approval anticipated in October 2017. An application for final California Department of Education (CDE) approval for the District's submittal to CDE has been prepared. Upon DSA and CDE approval, a funding application for State facilities grants reimbursements will be filed with the OPSC. Over the next six months, DSA review will be tracked and once approval has been received, a Lease-Leaseback contractor will be selected to provide a Guaranteed Maximum Price for the project, with construction anticipated to commence in early 2018.

1.1.3 PROJECT FUNDING

Voters in the District approved Measure "H", a \$114 million general obligation bond authorization to fund planned Phase 2 improvements in November 2016. Simultaneously, California voters approved Proposition 51 authorizing \$9 billion in State bonds for college and K-14 facilities improvements. The passage of Proposition 51 allows the District the opportunity to leverage approximately \$ 30.0 million in Phase 1 new construction State grant funding and approximately \$27.0 million in combined modernization and new construction grant funding for planned Phase 2 improvements.

To date approximately \$47.0 million in Series 2017 Measure "H" bonds have been issued to initiate Phase 2 improvements. The balance of the remaining \$67.0 million in Measure "H" authorization is anticipated to be available for issuance over the next 4 to 7 years, as directed by the Board.

The latest developer fee study adopted by the Board projects the availability of approximately \$7.6 million in Level 2 developer fees over the next 5 years. In combination with existing developer fee balances, projected developer fee collections, State grant reimbursements and local Measure "H" funding, it is anticipated that sufficient funds should be able to implement the adopted Program.

1.1.4 MASTER BUDGET AND SCHEDULE

The Program provides a consolidated master budget and schedule which merges and integrates the Measure "H" bond program with other local funding, including developer fees, and capital program balances. The integrated Program includes two improvement phases which commenced in 2014 and are anticipated to be complete in 2029. The revised Master Budget is projected to be \$229.6 million, inclusive of a program reserve to accommodate changes in program as mandated from time to time by the State and as may be needed to accommodate local program requirements. This represents a recommended increase in expenditures from the prior adopted budget of approximately \$1.5 million, representing adjustments to proposed budgets as further detailed in the following report.

1.2 RECOMMENDATIONS

Upon review and consideration, it is recommended that the Board of Education:

- Accept and adopt the October 2017 semi-annual Program update to the Reconfiguration and Facilities Program, including recommended adjustments to projects, the Master Budget and Timeline
- Consider the next semi-annual Program update at its regularly scheduled March 2018 meeting

SECTION 2

EDUCATION PROGRAM

The District has completed its third year of educational program implementation activities designed to meet the identified Strategic Plan goals to prepare students for success in college, for careers with growth potential, and to be productive citizens in an interconnected world. The goals are long term and require continued short-term objectives and specific actions that support their attainment. Continued improvements and adjustments to the pathway programs in the District will result in the institutionalization of the programs as a part of the District’s overall educational program.

The Reconfiguration and Facilities Program adopted by the Board in August 2014 proposed recommendations that support the District’s Strategic Plan, the primary mandate of which is to improve student achievement. The District identified five goals in this mandate:

- Develop and implement a course sequence in supporting programs and services that increase the number of students successfully completing “a-g” courses and/or becoming prepared for a career with growth potential
- Provide all students with equal access to learning experiences that enable them to meet the high expectations established by the District
- Strengthen District wide support systems, processes, and practices so that they support student learning and success
- Strengthen partnerships with parents and the local community
- Develop and implement effective strategies for helping all students become responsible for their learning and become lifelong learners

The planning and implementation of a 21st century high school environment in Santa Maria is driven by two programs—an education program that outlines academic achievement opportunities at the District level, and a facilities program that describes how capital improvements will support the implementation of the education program. To that end, the Reconfiguration and Facilities Program continues to integrate the District’s vision and goals for innovative education initiatives with a facilities plan that supports the implementation of these initiatives.

The District identified eight objectives to accomplish over the course of the past six months as they further develop the pathway programs at each of the school sites:

1. Continue the development of linkages with local industry leaders, Allan Hancock College (AHC), Santa Barbara County Education Office, the Workforce Investment Board and the Santa Maria Chamber of Commerce to provide information necessary to provide a robust pathway program as well as joint use partnerships and specific facility and equipment needs

2. Commission professional development for staff to meet CTE credential requirements for the new pathway courses, as well as the need for subject matter specific information related to new courses
3. Promote further engagement of the Career Technical Education teachers in the ongoing development of a program of study for each of the pathways recognizing this is a process that will take several years of development along with adjustments as needed to meet ever changing industry requirements
4. Develop a Memorandum of Understanding (MOU) for the joint use of the CTE Advisory Committees with AHC
5. Publicize the pathway programs on the District's website
6. Create a brochure to distribute to all incoming 9th grade students to inform them of the available pathways
7. Meet with the Advisory Committees for input as the design process moves forward
8. Develop specific courses of action at each site to optimize the implementation of proposed courses and to minimize the impact to teachers and programs over the course of the construction program to permanently house those programs

2.1 DISTRICT PATHWAY PROGRAMS

Developing pathway programs requires years of invested time and resources, with changes, modifications and additions to the pathways occurring each year. The changes are due to a variety of factors such as student choice in programs, staffing and credentialing requirements, or industry changes requiring new equipment, materials, skills, and demand for jobs in the local economy. In the prior sixth month update of the Program, specific changes and additions were noted within each of the Industry Sectors and specific pathways. Those accomplishments have continued to be built upon and refined during the last sixth months. They are listed again in this sixth month update to give a context for those additional modifications and changes that have been made to the pathways program that are underway and to provide a comprehensive view of the educational program the District has undertaken to build and provide for students.

During the past school year, the District continued its commitment to the development of the pathway programs. Jointly, the District's CTEIG (Career Technical Education Incentive Grant) Grant Coordinator, in coordination with CFW educational staff, District and school site administrators and teachers, has initiated twenty-eight courses and certifications and added two new pathways within the following ten industry clusters:

- Agriculture and Natural Resources
- Arts, Media, and Entertainment
- Business and Finance
- Energy, Environment, and Utilities

- Engineering and Architecture
- Health Science and Medical Technology
- Hospitality, Recreation, and Tourism
- Information and Communication Technologies
- Manufacturing and Product Development
- Public Service

The District continued to develop and build linkages with local industry leaders, AHC, Santa Barbara County Education Office, the Workforce Investment Board and the Santa Maria Chamber of Commerce to provide information necessary for a robust pathway program as well as joint use partnership opportunities, specific facility and equipment needs, adjustments to the curriculum, and locations for student intern experiences. AHC offered office space for the CTEIG grant coordinator which provides for easy access to the college and supports the collaboration between the two educational institutions. The CTEIG grant coordinator held ongoing meetings with advisory committees as needed for advice on the development of new courses and curriculum and the selection of materials and purchase of equipment to provide a learning experience for students that reflects the materials and equipment used in the industry and at AHC.

The implementation of pathway courses depends largely on teachers obtaining specific certification in order to teach the classes they are assigned. Pathway courses can be identified, but if the teacher does not have the proper certification, the associated course cannot be taught. The District continued to identify and support teachers in obtaining required CTE certifications with a specific focus on certifications for Environmental Resources, Fine Arts, and Engineering. The District will continue to recruit and to hire additional teachers with the appropriate credentials to teach pathway courses.

Programs of Study were developed and/or adopted for both the Engineering Technology and Environmental Resources Pathway. In addition, new courses and curriculum were added to existing pathways for Medical Assisting and Digital Arts II. Course content was changed so that students can meet the requirements for certifications in Ag Welding, Microsoft Certification, First Aid and CPR to provide students the opportunity for employment in fields. The District has begun the process of adding a commercial arts program to the course offerings.

The District has reached a verbal agreement with AHC for the joint use of the CTE Advisory Committees and to that end, the Ag Science Pathway and Health Science and Medical Technology Pathway have already conducted combined Advisory Committee meetings. Both the District and AHC intend to develop a Memorandum of Understanding formalizing this arrangement; however, before a formal agreement can be established, both the District and AHC need to develop formal structures for organizing of information and partnerships as well as develop timelines. It is anticipated that the formal agreement will be ready for execution at the end of the 2017-18 school year.

The District continues to meet with the Pathway Advisory Committees for input in the design process, course content, and instructional materials and equipment that will provide a learning experience for students that mirrors the experience they will encounter when they enter the workforce or go onto

college. Exploration of joint use projects will continue. Meetings with local industries in the engineering and environmental engineering fields have resulted in securing new courses and equipment for the District's programs.

Ongoing meetings were held with administration at Santa Maria High School to optimize the implementation of proposed courses and to minimize the impact to teachers and programs over the course of the construction program. A room was designated for the Engineering Technology Pathway that will not need to be moved during the course of the construction at the site. A plan to optimize current shop classroom space to provide for the new equipment purchased to enhance the program was developed. This also provides for the sharing of equipment between the Ag and Engineering program.

The District continues to move forward with specific pathway development by building on work begun and in continued partnership with industry leaders, AHC, Santa Barbara County Education Office, Workforce Development Bureau, and Santa Maria Chamber of Commerce. The District has achieved the following specific milestones in the development of the pathway programs for this school year:

Agriculture and Natural Resources Industry Sector (Pioneer Valley, Righetti, and Santa Maria)

- **Agriscience Pathway:** Teachers have been trained and received Pesticide and Forklift Certifications. Teachers are now certified to provide this training and certification to students, providing them with a valuable resource that can be utilized for immediate employment opportunities. A tractor and forklift have been purchased as well as agricultural irrigation and culinary arts equipment for the farm-to-table and natural food connection that links the culinary arts program with the agriculture program.
- **Ornamental Horticulture Pathway:** A refrigerator has been purchased to aid in the storage of flowers and materials for the ornamental horticulture program and to aide students in developing entrepreneurial skills in selling the projects created.
- **Agriculture Mechanics Pathway:** A Torch Mate Plasma, Fume Extraction and two Dynasty Tig Welders as well as a coating curing lamp with paint powder were purchased so that students learn to weld using equipment that meets industry standards. A teacher obtained the needed certification for Welding Inspection which allows them to provide certification tests for students. Students participated in welding competitions that test their skills and reflect real-world job requirements.

Arts, Media and Entertainment Industry Sector (Pioneer Valley and Righetti)

- **Design, Visual and Media Arts Pathway:** A new digital computer lab was furnished, and software licensing and equipment for the Adobe Creative Suite (e.g. Adobe Photoshop, Illustrator, etc.) was purchased, that provide the materials and equipment necessary for students to develop skills with digital design applications used in most businesses today. Teachers participated in a Microsoft Training program so they can better prepare students for Microsoft Certifications. A teacher

obtained the CTE Fine Arts Credential for the Digital Arts Pathway. The District will implement new curriculum in the Digital Arts I course that is the same as the curriculum used at AHC providing for the seamless transition of high school students to community college. By aligning the curriculum, it allows for the course to become a dual enrollment course. A new Film course has been added that is a concurrent enrollment course with AHC. A Digital Arts II course will be added to the course offerings. The District has begun to plan for and develop the curriculum for a commercial arts program.

Health Science and Medical Technology Industry Sector (Pioneer Valley and Righetti)

- **Patient Care Pathway:** New curriculum for the Medical Assisting Program was finalized. New lab equipment and training mannequins for students to practice specific medical techniques were ordered, furthering development of a new course in Medical Assisting to be offered in the future. These improvements align the District's program with the program currently offered at AHC. In the future, these courses could be offered as a concurrent enrollment class during the day within the District, with AHC utilizing the District's classroom in the evening for expansion of the program. In addition, First Aid and CPR certifications have been added to the required Health course for all 9th grade students. These certifications are valuable to students in several different employment fields and for a number of different pathways. A new Forensics course will be offered in Fall 2017.

Hospitality, Recreation and Tourism Industry Sector

- **Food Science, Dietetics, and Nutrition Pathway:** New and updated culinary arts equipment has been purchased for the student-run catering service and will strengthen the Café programs at both Santa Maria and Pioneer Valley High Schools. In addition, these equipment upgrades will enhance the learning of students in the Culinary Arts pathway. This pathway will culminate in a unique capstone course which will be taught in the 'CTE Pavilion' industrial kitchen at the CTE Center facility. The linkage with the Farm-to-Table Ag concept will enable the students to grow their own ingredients to cook and to serve. An additional component has been added at Pioneer Valley High School with Special Education students so that they are able to take part in the program and learn valuable employment and life skills.

Engineering and Architecture Industry Sector

- **Engineering Technology Pathway:** Curriculum has been selected for adoption for the Engineering Pathway. This curriculum was chosen after reviewing options and conducting visits to other high schools with engineering pathways. The curriculum delineates the lesson plan, software and equipment needed to teach each of the units. Students will learn Computer Aided Design (CAD) and use software tools to design and then build robotics. They will print out prototypes on 3-D printers prior to building the actual robots. The teacher has received specialized training on methods for teaching the curriculum and providing students with hands-on engineering learning

experiences. The District has purchased new engineering lab furniture, fixtures and equipment to fully outfit the engineering lab. The Engineering Pathway classes will be offered at Santa Maria High School in August 2017.

Energy, Environment, and Utilities Industry Sector

- **Environmental Resources Pathway:** This is a new pathway to be offered in the District. The first course in the pathway sequence will be offered in August 2017. A teacher has obtained the necessary CTE credential required to teach the course. In addition, four teachers participated in training with Santa Maria City Water Department staff in the proper usage and operations of water testing equipment currently used locally for measuring nitrates and chlorine. The District has purchased class sets of probes and water sampling/testing equipment that is the same as is used currently in the workforce, class sets of soil testing kits, petri dishes, glass plates, chemicals, and other lab equipment to mirror industry certification practices. The Environmental Resources Pathway classes will be offered at Righetti High in August 2017.

Business and Finance Industry Sector (Pioneer Valley, Righetti, and Santa Maria)

- **Business Management Pathway:** Microsoft Certifications are being added to the curriculum. These certifications provide students with the opportunity to obtain Microsoft literacy and technical competency in Excel and Word which will make students more immediately employable at local businesses (e.g. banks) upon graduation from high school. The certifications are useful in virtually every business career and provide students with a marketable skill upon entering the workforce. New computer lab and equipment was ordered with the goal of providing students with a learning environment that reflects local working conditions and provides for students to learn the software that they will be using upon entering the job force. Teachers were offered a new Microsoft Training program to better prepare students for Microsoft Certifications.

Public Services Industry Sector (Righetti and Santa Maria)

- **Public Safety Pathway:** Discussions with AHC have begun regarding the prerequisites that students need in order to take public safety courses at the college. The goal is to begin to offer high school courses that will seamlessly lead to several Public Safety courses offered by AHC, but held in District classrooms. Students who receive high marks in these courses will receive college credit.

Information and Communication Technologies Industry Sector (Pioneer Valley and Santa Maria)

- **Software and Systems Development Pathway:** The District is currently in the final stages of developing a coding certification program (e.g. JAVA, C++) to offer students. Once this is completed, these course offerings will become available to students at Pioneer Valley and Santa Maria High Schools.

Manufacturing and Product Development Industry Sector (Pioneer Valley and Santa Maria)

- Equipment was purchased to provide for three consumer manufacturing courses to be offered to students. The District is currently providing training on the use of this equipment so that courses may be offered at Pioneer Valley and Santa Maria High Schools in the future.

New State rules and regulations have been put in effect for the formation of pathway programs as specifically required for the CTE Perkins funding. The District is currently receiving training on these new rules and regulations. Once the pathway courses are realigned as required by the State, a brochure will be developed, counselors will be trained, and a course matrix will be developed so students are informed regarding the programs available and can select the pathway that best meets their needs. The District intends to publicize the pathway programs on the District's website and is utilizing additional resources provided by the CTEIG grant to publish content during this school year which will include the new alignment of courses within the pathways.

The pathway programs will continue to guide and to inform the facilities programs as they are developed at each of the schools. Classroom equipment, as well as specific facilities needs, are documented as the District undertakes the task of constructing new improvements to replace old and outdated facilities and modernize existing ones. The team continues to review changes in the use of classrooms, whether due to specific funding requirements, changes in student enrollment, program needs or demands for equipment for CTE programs.

The overall program is being continually reviewed with staff, highlighting those classrooms that will be replaced and those classrooms that will remain. At this time care and attention has been directed to defer installation of new equipment into certain classrooms pending demolition and replacement, instead focusing on determining permanent locations for specific programs, and thereafter installing equipment in those locations.

An additional program offered by the State includes the Career Technical Education Facilities Program (CTEFP). The program provides grant funds to aid districts to reconfigure, construct, or modernize CTE facilities, and/or purchase equipment for CTE programs. An additional \$500 million has been made available for the CTEFP through the passage of Proposition 51 in November 2016. The application process includes a two-stage process, with applicants first submitting a grant application to the CDE for a passing score. Upon receipt of a passing score, the applicant may submit a funding application to the OPSC. The project team is exploring specific pathway program needs and facility projects that are a good fit for CTE grant funding. Specific program requirements have been identified and shared with staff and a comprehensive application will be prepared and submitted to the Board for funding once that has become available through OPSC and CDE.

SECTION 3

FACILITIES PROGRAM

The Reconfiguration and Facilities Program establishes the implementation of proposed improvements in two phases. Phase 1 projects either under construction, complete or awaiting DSA approval, consist of:

- design and construction of a 38-classroom facility at Righetti High School to replace outdated portable classrooms with modern 21st century learning environments
- completion of the District's Performing Arts Center at Pioneer Valley High School for assembly and performance space during school and after-school hours for student and community use
- land acquisition and design of a CTE Center/Ag Farm facility, including a joint pavilion to transition students from Grade 12 classes to college courses and/or high-demand, skilled jobs

Within the last 6-month period, the Righetti High School 38-classroom facility has been under active construction, the District's Performing Arts Center at Pioneer Valley High School has been completed, and the CTE Center/Ag Farm has been designed, is under review by DSA for expected approval in October, and scheduled for start of construction in early 2018.

Phase 2 projects include:

- reconstruction of the Santa Maria High School campus, including replacement of aging classroom buildings, restoration of the historic Ethel Pope Auditorium, improvements to athletic fields, and 21st century modernization of remaining facilities
- renovation of existing permanent classrooms at Pioneer Valley and Righetti High Schools to achieve similar 21st century functionality to newly constructed District facilities
- construction of a new dual use facility for Righetti High School to expand physical education and educational support space, augmented by a performance space to provide functionality for visual and performing arts education and community events comparable to other District facilities

Within the last 6-month period, the reconstruction of the Santa Maria campus has been undertaken with the selection of the project architect and completion of the conceptual design for the new classroom and administration building and the initiation of conceptual designs for the modernization of the remaining existing facilities. The selection process has also been initiated for the procurement of a Lease Leaseback Preconstruction and Construction Services firm for approval by the Board.

Likewise, development of an Architect Selection Package has been initiated which will request proposals for architectural services for the 21st century modernization of remaining classroom facilities at Righetti High School and ultimate removal of the existing portable classrooms.

Over the next six months, efforts will be undertaken to establish a Guaranteed Maximum Price construction contract and commence construction of the CTE Center/Ag Farm project. The procurement of architectural and preconstruction/construction services for planned Phase 2 classroom and library improvements at Righetti High School will be presented for Board approval and the design process initiated. Design efforts will continue to move full speed ahead for the Santa Maria High School Reconstruction Project, with expected DSA submittal for the new facilities (Design Increment 1) anticipated for June 2018 and the modernization of remaining facilities to closely follow.

3.1 SANTA MARIA HIGH SCHOOL

Planned improvements for Santa Maria High School represent the largest group of facilities projects under the District's Reconfiguration and Facilities Program. They address a number of educational and facilities goals that combine to create a landmark campus worthy of the District's oldest school. The Board's vision for Santa Maria High is to rebuild the campus in a manner that uses space more efficiently and incorporates an environmental design that honors Santa Maria High's heritage while providing 21st century learning environments for today's teachers, students and staff.

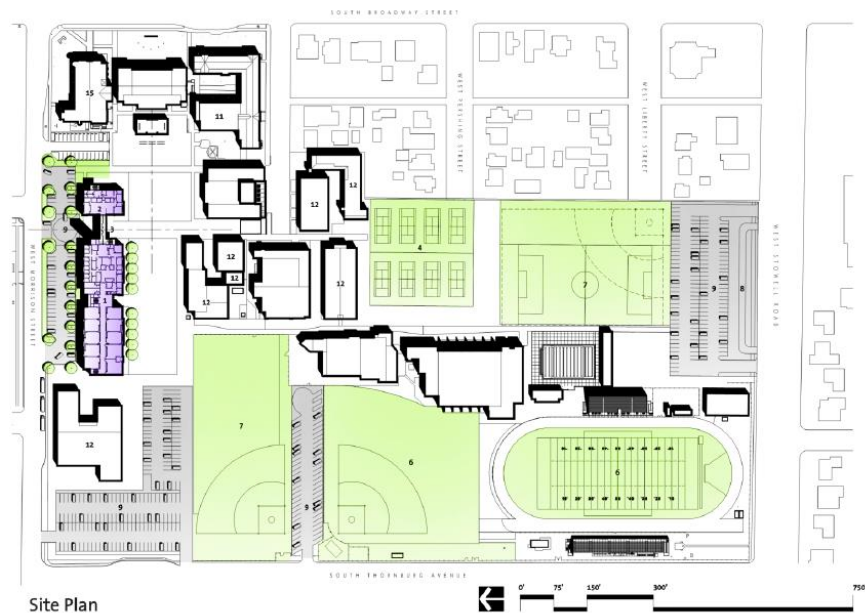
Over the last six months, key milestones were achieved towards the implementation of the reconstruction of Santa Maria High School. In early 2017, CFW began working on refinements to the Santa Maria High School Reconstruction Project and developed a Board approved three-increment design process for the construction of new facilities, modernization of existing facilities, and the restoration of Ethel Pope Auditorium. The three-increment design process was developed from careful planning of the programmatic space required for each segment of design and on recommendations for adjusted course sequences based on the interim and final educational program to be put in place during construction and upon completion of the facility.

In March 2017, in cooperation with District staff and legal counsel, an Architect Qualification and Selection Package was prepared and released which contained a request for architectural services for the Santa Maria High School Reconstruction Project. Given the historical significance of the project to the community, the package was widely distributed to architectural firms with the intent to solicit quality architectural proposals for Santa Maria High School. The District established a committee comprised of District and CFW staff, as well as a Board representative, to review and evaluate proposals. The District received five proposals from qualified firms which were reviewed and scored by the committee.

As has been the case in prior projects, a design charrette approach generated significant ideas for incorporation in the critical assessment and design components. At the conclusion of the interview process, the committee reviewed each participant, selected solutions and challenges to be overcome for each participant and, more importantly, developed a set of components to be incorporated by the final firm to be selected. One of the proposals stood out above the rest and was further refined over a 90-day process to accommodate additional feedback to the planned classroom, administration and support spaces and was presented for Board approval in September 2017.

Design Increment 1 includes new 21st century classroom and administration facilities on the north side of Santa Maria High and a new landmark campus entrance. Based on conceptual design efforts, refinements to the administration and classroom building designs were made which have increased the program for the new facilities by approximately 11,000 square feet. Refinements include additional administration and student services uses as well additional classrooms and educational support facilities. Two additional classrooms were added to the 48 originally specified, for a new total of 50 classrooms. The new facility will consist of general purpose math, English, and Science classrooms, along with specialty classrooms including Science and Culinary arts lab rooms. Upgrades to baseball/softball, tennis/basketball, practice fields, and parking areas are also planned to undergo architectural design during the first increment, including plans for the eventual removal of all portables. Increment 1 will be integrated with Increment 2, the modernization of the remaining facilities, and adjustments made, if any, before final submittal for Board approval of plans to DSA.

Figure 1: Design Increment 1 Site Plan



Source: Rachlin Partners

Figure 2: New Classroom and Administration Facilities North Elevation



Source: Rachlin Partners

The modernization and repurposing of campus facilities planned for retention and upgrade comprise the second increment of submittal to the DSA, and the restoration of the historically significant Ethel Pope Auditorium will comprise the third increment. In total, the new and modernized campus facilities will be integrated with the historic restoration of the campus. Although the project is composed of discreet design increments, the design of the overall improvements are occurring in parallel and in coordination with each other in order to maintain the project budget and apply a consistent specification across improvements.

A vision statement, specification and budget has been prepared and adopted by the Board for Increments 2 and 3. Increment 2 includes the improvement, upgrade, and/or repurposing of 37 classrooms in Buildings 230, 240, 330, 350, and 500 as well as the current administration building to equivalent 21st century standards matching the new classroom building. Design work began on Increment 2 in August 2017, with direction provided to the project architect to prepare conceptual designs of the reconfigured administration building and modernization of classroom buildings to be retained. The administration building is expected to house approximately 8 new classrooms and 4 new support spaces and retained classrooms are anticipated to receive improvements to furnishings, fixtures, and equipment modeled on the improvements made at the Righetti Demonstration Classroom, as well as any other system upgrades as may be determined necessary or required.

From August through September 2017, in cooperation with District staff and legal counsel, a Request for Qualifications and Proposals for Lease Leaseback Preconstruction and Construction Services for the Santa Maria High School Reconstruction Project was prepared and issued. Following the selection process, the selected firm will provide constructability review, value engineering, master scheduling, cost estimating, budgeting, and construction services for the project, including Increments 1-3. The selection process is anticipated to conclude in late October 2017, with anticipated recommendations to the Board in November 2017. Following Board approval and over the next 6-month period, the selected firm will assist the team to advance the design of Increments 1, 2, and 3 and integrate the overall budget components of each increment into an overall Master Budget and schedule for the project.

3.1.1 STUDENT HOUSING PLAN

The new proposed building at Santa Maria High School will house 50 classrooms including 5 science labs, 7 science classrooms, 1 culinary arts classroom, 21 English classrooms, and 16 math classrooms. All math and English classes as well as most of the science classes will be relocated in the new building. This building has been designed to encourage the collaborative use of learning stations. Because science labs are used much less often than science classrooms, science teachers in the new facility will have an assigned science classroom but will share the science lab rooms. Teachers may plan their lessons collaboratively and then schedule their classes into the science lab for the corresponding lab experiment. There are various ways this classroom arrangement can work, for example: (1) teachers can team teach, with one teacher doing most of the lecture and the other teacher doing most of the labs, or (2) teachers collaborate a science lessons and curriculum and then schedule science labs with each teacher doing their

own class. Only one culinary arts kitchen is needed, as a capstone course will be held at the District's CTE Center/Ag Farm and thus fewer sections of culinary arts will be held at the school.

The Engineering Pathway began in August 2017 in room 514, within a reconfigured space that provides an optimal learning environment for students. It is also next to the Agriculture Pathway shop, providing an opportunity for the two Pathways to share some of the expensive equipment. CFW assisted the District in the selection, purchasing, and space planning of new furniture to support the new technology, equipment, and curriculum for the room so that students are able to participate in eight different engineering learning modules. These modules include environmental, alternative energy, manufacturing, material science, construction technology, architecture design, transportation and biotechnology. The reconfigured room provides space for students to collaborate on projects as well as an area for classroom chairs and desks.

A student housing plan has been developed for the campus to accommodate interim and permanent needs. Social studies, Ag science, special education and health classes will be relocated to existing classrooms on the campus. Band, choir, drama, foreign language, Ag, shop, ornamental horticulture, and welding will remain in their current classrooms. Below outlines the sequence of construction and corresponding sequence of moves for the classrooms during the construction phase of the project:

- A total of 23 teaching stations will need to be relocated at Santa Maria High School.
- Classes in Buildings 210, 220, 310, 320, 410, 420, 430, and 440 will need to be moved as these buildings will be demolished to make way for the building of the new 50 classroom building and the new administration offices.
- At the present time, rooms 412, 421, 311, and 220 are not used as classrooms. Classrooms 360, 361, 362, 609 and 610 will not be demolished as a part of the first phase of construction. Again, this yields a total loss of 23 teaching stations during the first phase of construction.
- Currently, there are 14 classrooms not being used, primarily consisting of portable facilities. Fourteen of the 23 displaced classes will move into one of the empty classrooms.
- Culinary Arts will be relocated to Room 610 as it is currently used only one period per day. The Dance class that is offered in Room 610 will be relocated to the smaller gym. Four of the teachers located in displaced rooms are RSP teachers who will share a room with one of the other four RSP teachers currently located in a room that will not be demolished. The remaining four classroom teachers will need to share a classroom with teachers who are on their prep period.

Following the construction of the new building, all administrative offices, English, Math, Culinary Arts and seven (7) science classes will move into the new building. Modernization of the remaining permanent classrooms will begin with Social Studies classes moving into portable buildings in the 600's. Ag Science and Health will move into portable building in the 500's and special education will move into portable

building 600's. At the same time, the reconfiguration of old Administrative Building into specialty classrooms and modernization of the building will begin.

Once the modernization projects are completed, Social Studies classes will move into Building 350 and 230. Ag Science 510, 511 and 512 as well as 330, 331, 332 and 333. Health will move into Building 240 and Special Education will move into Building 330. Engineering will remain in Room 514. Journalism/Yearbook, Digital Arts, Media Arts, Art as well as sewing courses in Home Economics will move into the newly reconfigured building that was formally the old administration building. Additional facilities for Special Education programs and uses in both new and modernized portions of the campus may be further assessed and accommodated during the design phases of the reconstruction project and presented to the Board for its consideration.

Table 1 presents a summary of the proposed Santa Maria High School educational program reconfiguration, sorted by existing facilities due to be retained and modernized, newly constructed facilities, and the existing administration building planned for reconfiguration into classroom and support space. Along with the name of the department or course, a count is provided indicating the total number classrooms utilized throughout the school as well as the total number within each building or group of buildings.

3.1.2 STUDENT CAPACITY CONSIDERATIONS

Projected enrollment suggests that an enrollment “bubble” observed at local elementary schools may matriculate to District high schools over the next several years. When combined with projected growth generated by future residential development, additional students may need to be accommodated at each of the District’s comprehensive high schools.

In 2015, the District adjusted its school schedules from a model wherein students took 6 classes a day and teachers taught 5 periods with one preparation period to a model wherein students take 7 classes a day, teachers continue to teach 5 periods, and now have two preparation periods. This has the effect of adding additional teachers to the master schedule to cover the additional class periods being taught and each of those teachers needs a place in which to teach. It also has the effect of each classroom being empty two periods a day instead of one period a day.

Options to accommodate future enrollment growth and classroom needs will be assessed on an ongoing basis, with recommendations presented in future reports for the Board’s consideration.

Table 1: Recommended Conceptual Santa Maria High School Reconfiguration

Total Rms (School) Total Rms (Building) Department or Course			Total Rms (School) Total Rms (Building) Department or Course			Total Rms (School) Total Rms (Building) Department or Course			Total Rms (School) Total Rms (Building) Department or Course		
Modernized Facilities			Repurposed Facilities			Newly Constructed Facilities			Other Facilities		
350 Building			Reconfigured Administration			New 3-Story Classroom Bldg			Broadway Building		
1	1	Social Studies	39	1	Journalism/Yearbook	47	1	English	97	1	Band
2	2	Social Studies	40	2	Digital Arts	48	2	English	98	2	Choir
3	3	Social Studies	41	3	Web Design	49	3	English	99	3	Theater
4	4	Social Studies	42	4	Information Technology	50	4	English	100	4	Foreign Language
5	5	Social Studies	43	5	Home Ec Lab	51	5	English	101	5	Foreign Language
6	6	Social Studies	44	6	Home Ec Lab	52	6	English	102	6	Foreign Language
7	7	Social Studies	45	7	Art Lab	53	7	English	103	7	Foreign Language
8	8	Social Studies	46	8	Art Lab	54	8	English	104	8	Foreign Language
9	9	Social Studies	Half-size rooms w/in Admin			55	9	English	105	9	Foreign Language
10	10	Social Studies	1		RSP	56	10	English	106	10	Foreign Language
230 Building			2		RSP	57	11	English	107	11	Foreign Language
11	1	Social Studies	3		RSP	58	12	English	108	12	Special Ed
12	2	Social Studies	4		RSP	59	13	English	Programs Relocated		
13	3	Social Studies				60	14	English	1		Migrant Ed
14	4	Reading Lab				61	15	English			
15	5	Reading Lab				62	16	English			
16	6	Business				63	17	English			
240 Building						64	18	English			
17	1	Health				65	19	English			
18	2	Health				66	20	English			
19	3	Special Ed				67	21	English			
20	4	Special Ed				68	22	Science Lab			
21	5	RSP (x2)				69	23	Science Lab			
22	6	RSP (x2)				70	24	Science Lab			
23	7	Intervention				71	25	Science Lab			
24	8	Intervention				72	26	Science Lab			
330 Buildings						73	27	Science CR			
25	1	Special Ed				74	28	Science CR			
26	2	Special Ed				75	29	Science CR			
27	3	Special Ed				76	30	Science CR			
28	4	Special Ed				77	31	Science CR			
29	5	Special Ed				78	32	Science CR			
30	6	Special Ed				79	33	Science CR			
31	7	Horticulture				80	34	Culinary Arts Lab			
32	8	Ag Science				81	35	Math			
33	9	Ag Science				82	36	Math			
34	10	Ag Biology				83	37	Math			
500 Building						84	38	Math			
35	1	Shop/Welding				85	39	Math			
36	2	Ag Mechanics				86	40	Math			
37	3	Advanced Auto Shop				87	41	Math			
38	4	Engineering				88	42	Math			
						89	43	Math			
						90	44	Math			
						91	45	Math			
						92	46	Math			
						93	47	Math			
						94	48	Math			
						95	49	Math			
						96	50	Math			

3.2 RIGHETTI HIGH SCHOOL

Built between 1960 and 1964, Ernest Righetti High School is the southernmost comprehensive high school in the District on 37.7-acre rectilinear site. The school's existing classroom buildings provide for 59 permanent rooms which are augmented by 37 general purpose portable classrooms, with all but six portables occupying an area on the southeast corner of the campus formerly used for parking. Smaller permanent facilities include a weight room, an agricultural science lab, and a career center.

Planned improvements include the replacement of aging portable classrooms, construction of a new classroom building designed to 21st century standards and the upgrade of existing classroom facilities to comparable standards. The future occupancy of new and modernized buildings on the Righetti campus were determined and a departmental configuration was selected to improve collaboration around Common Core State Standards, optimize the use of existing facilities, and promote greater flexibility to accommodate the need for pathway courses to develop and change over time.

Phase 1 improvements at Righetti High School consist of a new three-story, 38-classroom building, containing general purpose, pathway, and assessment classrooms, currently under construction. The capacity of the new facility will enable the phased replacement of all existing relocatable classrooms on the campus. Following DSA approval and bidding in late 2016, work on the project began with underground utility relocation in early 2017. More recently, the contractor completed form work and concrete pours of the retaining walls in July 2017, with steel erection and final slab pours occurring in August 2017. Ongoing erection of the steel structure for the upper floors of the building continued into September 2017, along with laying of metal decking.

With the project in active construction over the last six months, regular construction coordination meetings have been held on a weekly basis between CFW, District staff, the contractor, and architect to facilitate timely resolution of construction related questions as well as maintain the intended scope, adhere to the adopted Guaranteed Maximum Price, and deliver the project to the District on schedule.

Accordingly, the project is currently on schedule for substantial completion and occupancy by January 2019. Additional work has been led by CFW to prepare and deliver a complete funding application for the 38-classroom building project to the OPSC for eligible grant reimbursement. CFW and District staff met in mid-September to review and finalize the application for District submittal, anticipated for October 2017.



Righetti High School New 38 Classroom Building Construction Progress
(August 2017, left, and September 2017, right)

Phase 2 improvements focus on the 21st century renovation of 59 permanent classrooms located in Buildings C, D, and E and the school's library. Construction is intended to begin following the occupancy of the new 38 classroom building in January 2019. Improvements planned for Righetti High School specifically include:

- Modernization of classrooms, labs, and the library with improved interior materials consistent with a 21st century learning spaces, commencing upon occupancy of the new 38-classroom building
- Removal of portable classrooms upon completion of modernization work
- Reclaim the existing parking lot at the east end of the campus to repurpose the space made available by removal of the portables
- Design and construction of an additional indoor athletic practice space
- Design and construction of a performance venue integrated with the practice gym
- Expansion of outdoor courts for tennis and basketball, along with reconfiguration of the turf practice area to support varsity baseball, softball, and soccer
- Upgraded campus IT and safety infrastructure, including data networks and fire alarm systems

Among the most notable of planned improvements, includes the transformation of the school's existing library into a 21st century Student Information Center. Currently, the library and adjoining computer area provide approximately 4000 square feet of learning space, but are underutilized. Equipped with modern, flexible furnishings and equipment, the improved facility will provide a place on campus for student collaboration, problem solving, and information gathering.

CFW will continue to work with the District to refine the vision for the planned improvements to the library and classrooms and finalize the selection package for architectural services for distribution. Shortly thereafter, the selection process will also be initiated for the procurement of a Lease Leaseback Preconstruction and Construction Services firm for approval by the Board. The selected firm will provide

constructability review, value engineering, master scheduling, cost estimating, budgeting, and construction services for the project.



Existing Library at Righetti High School



Sample Library Modernization Before (Left) and After (Right)



Sample Library Modernization Before (Left) and After (Right)

3.2.1 STUDENT HOUSING PLAN

When the new 38 classroom building is completed, the facility will supply 29 classrooms, along with 4 pathway classrooms, each approximately 25% larger than a general-purpose classroom, to meet the needs of academic pathway programs at the site, and 5 assessment classrooms that incorporate

retractable center walls that allow for a combined 4,800 square feet of flexible space for testing or other general assembly functions.

The math and English classes currently housed in portable classrooms will move to the new structure and be joined by the math and English classes currently housed in Buildings D and E. The health class will move into the new facility as well as the Digital Arts/Photo class. The remaining rooms in the new building will house pathway labs to be assigned to the pathway programs under development.

Upon occupancy of the 38-classroom building, work will proceed to modernize all of the remaining 59 permanent classrooms into 21st century classrooms. This project will be done building by building. When one building group is finished, the next building group will begin. For example, Building C classrooms could be modernized in the summer. When Building C is finished, the Building D classrooms will be modernized. This will require the need for interim housing utilizing the school's available portables as all of the permanent classrooms cannot be completed over the summer.

A plan for housing students and teachers during the reconfiguration has been developed. The newest portable classrooms would be used for interim housing and those portables that are 20 years or older will be removed from the site. Portable classrooms are eligible for state grant modernization funding when they are 20 years or older from the date they were first placed into service. By removing only those portables that were placed into service 20 or more years ago, the District will be able to maximize State funding.

Portables 609, 610, 611, 627, 628, 625, 626, 605, 606, and 608 are currently 20 years or older and will be removed immediately upon occupancy of the new classroom structure. These portables are all located on the former parking lot at the southeast corner of the campus in a group at the north end of the parking area. The remaining 27 portables will be used for interim housing.

Following movement only as needed on an interim basis for modernization work, classes currently housed in portables will move into the empty classrooms in Buildings D & E made available by occupancy of the 38 classroom building. Social studies, special education, and leadership will be permanently located in Building D, while world languages, band, choir, tech communication, multimedia, and special education and support classes will be permanently located in Building E. Science, Home Economics, and art will remain in Building C and be joined by an additional art class that will move into Room 104. Dance and video production will remain in Rooms 502 and 503, respectively, of the Gym. The Ag classes will move into Rooms 404, 405 and 407.

This housing plan is subject to change and the removal of the portable classrooms on the campus may be delayed in order to accommodate anticipated increases in enrollment at the site. Once enrollment stabilizes, the identified portables would be removed.

3.2.2 ADDITIONAL PHASE 2 IMPROVEMENTS

As detailed in the adopted Master Schools Improvement Program, the Righetti High School campus lacks a dedicated Performing Arts facility. The drama class is located in a converted shop room in the Industrial

Arts Building adjacent to the current welding shop. While this space is larger than a regular classroom, it does not meet the needs for student performances for drama, choir or band. The choir and band have sufficient classrooms, but lack a venue for student performances or concerts. The school also has the smallest interior athletic practice space of any of the high schools in the Santa Maria valley, with a gymnasium insufficiently sized to accommodate the demand for court time from the multiple varsity and junior varsity teams. Because of the high demand, the gym is in almost constant use and practices for certain teams can begin as late as 9 PM. The high level of use also increases maintenance costs.

Building a new joint purpose facility that includes both a performing arts venue and a practice gym will provide the students at Righetti High School with a place for student musical and drama performances as well as an additional gym for athletic practices. As currently planned, selection of professional team members and architectural design of the facility will commence upon completion of the pending effort to modernize classrooms and the library, expand site parking, and complete sitework and athletic field improvements.

3.3 PIONEER VALLEY HIGH SCHOOL

The District's new Performing Arts Center (PAC) at Pioneer Valley High School adds 17,352 square feet of performing arts and support space to the existing 11,831-square-foot Building J containing Pioneer Valley High's band, choir, and drama programs. The facility is state-of-the-art for high school and community performance needs, and includes a lobby, a box office and concession area, restrooms, a 208-seat main auditorium, an 86-seat mezzanine, and a performance stage with a large backstage area. A double-loaded hallway connects Building J to the new facility and its three classrooms.

Over the last six months, the PAC reached completion for all portions of the project except the theatre portion of the interior. Construction efforts were slowed due to pending approvals from the DSA for the catwalk system. At this time, the PAC is now complete and being prepared for occupancy. CFW has provided support to the District in resolving delay claims relating to the completion of the PAC. A recommended budget adjustment is included within this update in the amount of \$275,000. The outstanding claims are expected to be resolved and any further changes to budgets will be incorporated in the next six-month update.

With the PAC now complete, attention at Pioneer Valley High School may shift in the future to assessing classroom and site infrastructure needs, as anticipated to be addressed by the Phase 2 program for the school. Future semi-annual reports will address findings, analysis, and recommendations according to the adopted Phase 2 budget, which will be brought to the Board for further consideration.



Pioneer Valley High School Performing Arts Center Construction Progress (August 2017)

3.4 CTE CENTER/AGRICULTURAL FARM

The District's CTE Center/Ag Farm Project has been envisioned as a 21st century environment for "hands-on" and mentored learning within capstone classes for a number of the District's pathway programs. These classes would focus on various subjects that directly relate to high-demand careers in agricultural science and horticulture with the aim to improve students' job skills and enhance students' ability to transition from high school to the labor force or college.

The plans, which included Phase 1 elements consisting of a multi-use barn and four workshop classrooms and Phase 2 elements consisting of an Ag Pavilion with culinary arts and classrooms, were submitted to the DSA on March 30, 2017, with formal review by DSA's structural, fire/life safety, and access compliance teams beginning in earnest by May 2017. DSA plan review continues with the architect anticipating final DSA approval in October 2017. Concurrently, the project has been presented to the District's CDE representative to review the project plans and status prior to receipt of an application for final approval which has now been prepared, reviewed with District staff, and is pending submittal by the end of October 2017. Upon DSA and CDE approval, a funding application will be filed with Office of Public School Construction.

Efforts are being coordinated to finalize the design process for the offsite utility hookups. In addition, contact with the neighboring Elks Club has been made on their interest to connect the rodeo grounds to the sewer system to be built by the District and to share development costs associated with the offsite sewer system. Additionally, new service applications for power, water, sewer, gas, and telecommunications for the site are underway. Completion of these items is essential for timely completion of construction of the project. The team expects to incorporate the offsite package with the previously submitted plans during DSA's backcheck review process, anticipated for early October 2017. The team will work with the District's counsel to develop a reimbursement agreement where possible for other parties to reimburse the District's upfront costs.

Over the next six months and following DSA approval, a Lease-Leaseback contractor will be selected to provide a Guaranteed Maximum Price contract for the construction of the project anticipated to commence in early 2018.

SECTION 4

PROJECT FUNDING

4.1 OVERVIEW

The District's Reconfiguration and Facilities Program ("Program") provides a two-phase implementation program to aid in the creation of 21st century learning environments and innovative academic initiatives for all students served by the District and its four high schools. Phase 1 projects are substantially funded from proceeds of Measure C-2004 and developer fees.

In November 2016, voters in the District approved Measure "H", a \$114 million general obligation bond authorization to fund proposed school facilities and, specifically, proposed Phase 2 improvements. Simultaneously, California voters approved Proposition 51 authorizing \$9 billion in State bonds for K-14 facilities improvements, thereby allowing the leveraging of District Measure "H" and existing building funds with state grants for the new construction or modernization of Phase 1 and Phase 2 facilities.

The following updates the prior March project funding report to the Board. The report provides a comprehensive funding program, including a review of State School Facilities Program grants, local general obligation bonds and projected local developer fees, all which may assist in the implementation of the proposed program. The project funding report supports the Master Budget and Master Schedule that are adjusted in accordance with financial or policy decisions undertaken by the District from the prior period and proposed activities over the next six month period.

4.2 STATE AID

As described in the original Reconfiguration and Facilities Program report, the State maintains a School Facility Program (SFP) administered by the OPSC that distributes funds for costs relating to the modernization or new construction of school facilities. Funding is based on a per-pupil grant amount established by the State Allocation Board (SAB) per eligible classroom to be modernized or constructed. Eligibility for modernization funding is established separately for each school site, while eligibility for new construction is determined by the gap between a district's projected enrollment and its existing permanent classroom capacity. For purposes of State new construction grant eligibility, student housing capacity does not generally include relocatable classrooms.

Historically, project funding by the State has been supported through the periodic approval of State bonds for school improvements by California voters. In November 2016, California voters approved Proposition 51 authorizing a total of \$9 billion in State bonds for K-14 facilities improvements, of which \$6.0 billion was authorized for K-12 facilities. In September, the State proceeded with an initial sale of \$443.6 million in bonds under its Proposition 51 authorization, substantially less than is required to clear the backlog of

approximately \$2.6 billion of prior approved projects. At this time, it is anticipated that the Governor will continued to influence a protracted pace of funding for project implementation.

Since 2012, the OPSC and the SAB have established periodic policies and funding lists to assist in providing a general sense of priority funding levels. The recent Proposition 51 bond sale of \$443.6 million is anticipated to be applied towards projects who qualified and submitted a priority funding certification in the latest June 2017 filing period. Projects that qualified for priority funding certification in June were those projects that were placed on an Unfunded List and represented projects that could no longer be funded from the prior voter approved State bond measure because existing bond authority was no longer available for New Construction and Modernization applications. This list was restricted to projects that were received prior to July 12, 2012 for new construction and prior to May 3, 2012 for modernization.

Beginning November 1, 2012, the OPSC resumed processing applications on the basis of an Acknowledged List for projects that were received by OPSC after bond authority from the prior bond measure was exhausted. Applications placed on this list undergo an intake review to ensure all of the required documents have been submitted and presented to SAB for acknowledgement, but not approval of funding in the order of date received. This list currently contains over \$2.6 billion dollars in new construction and modernization grant requests.

With the implementation of Proposition 51 and subsequent SAB actions, projects on the Acknowledged List are now being processed as part of a Workload List for compliance with new SAB regulations and subsequent approval for funding by SAB. Based on when applications were submitted to OPSC, all of the District's applications have been on the Acknowledged List and are being transitioned unto the Workload List for SAB funding based on the date they were submitted.

OPSC staff continues to be impacted by reduced personnel and changes in administrative leadership which has substantially slowed the process. Based on discussions with OPSC staff, future bond sales at this time may be anticipated in the \$400-\$500 million range every six months. CFW continues to attend and monitor activities of the SAB.

Subsequent policy changes for grant funding from Prop. 51 have recently been approved by the SAB. Noteworthy key adjustments to the School Facilities Program include:

- **Grant Agreement:** Districts must enter into a grant agreement once funds have been apportioned; the agreement would disallow expenditures that have been previously eligible, such as technology
- **Audit Requirement:** As part of a District's local annual audit, an added component will include an audit of State funds; independent auditors must verify that districts appropriately expended State resources
- **New Baseline:** Enrollment projections and updated capacity analysis are required to establish a new construction grant eligibility baseline at the time the application is being processed by OPSC
- **Approved Land Reimbursement:** DSA approved New Construction plans are required prior to land reimbursement of a purchased site, per current OPSC administration

- **Financial Hardship:** Districts seeking financial hardship assistance may submit a request for funding without first obtaining a pre-approved status of their financial hardship

At this time, the primary impact of these adjustments is limited to the District’s application for reimbursement for the CTE Center/Ag Farm Facility land purchase. The new policy changes require that construction plans be developed, submitted and approved by DSA and forwarded with the OPSC application for land purchase reimbursement. Up until July of this year, districts could submit for land purchase reimbursement without incurring the cost and time delay of preparing and having construction plans approved by DSA. Nonetheless, the overall impact to the District is expected to be minimal as the CTE Center/Ag Farm Facility plans have already been drawn, approved by the District and are awaiting DSA approval within the next 90 days. At that time, the District will resubmit its application for reimbursement of the CTE Center/Ag Farm Facility land purchase in compliance with the new rules.

In the interim, the District and CFW will continue to coordinate the processing of State Aid:

- Baseline eligibility will be updated pursuant to SAB requirements
- Necessary filings per CEQA, DTSC, DSA, and CDE will be prepared and monitored as shown in Figure 3
- Funding applications will be prepared and filed with the OPSC once a project receives all required approvals

Figure 3: State Agency Review Steps



To be effective in seeking State assistance for the funding of local school facility improvements, an overall strategy is required. That strategy must be based on an assessment of the amount of local program grants that may be available for qualifying modernization or new construction of school facilities. Wherever

possible, participation in these programs should be coordinated and blended within an overall implementation program that seeks to aid in the creation of 21st century learning environments and innovative academic initiatives for all students served by the District and its four high schools. For the most part, these programs require a local match and therefore local funding must be integrated to meet the local match while still supporting the balance of local investment that may be required to fully implement the program.

As presented in prior updates, the District qualifies for substantial participation in the SFP. However, the lack of prior available SFP funding has required the District to proceed with local funding programs that advance fund State participation and optimize the opportunity for future State reimbursements as funds become available. This strategy minimizes delays in school facility improvements and optimizes the opportunity to leverage available dollars for further improvements that may not be financially possible without additional State support.

The following sections updates the District's eligibility in conformance with the passage of Prop 51, modifications to policies by the SAB, and the proposed strategic allocation of available state funding eligibility for proposed projects.

4.2.1 MODERNIZATION ELIGIBILITY

The SFP modernization program provides funds on a 60/40 State and local sharing basis for improvements that modernize or upgrade existing school facilities that are 25 years or older since original construction or last modernization. Tables 2 and 3 provide a summary of estimated modernization eligibility over time from the District's existing permanent and portable classrooms. No changes are reported since the March 2017 update. As reported at that time, future permanent classroom modernization eligibility is estimated at approximately \$19.7 million in 2025, cumulatively increasing to approximately \$36 million by 2035. The anticipated increase in the latter years reflects Pioneer Valley reaching its 25th anniversary of construction and thus meeting the statutory period for eligibility of modernization grants. Prior to that, modernization eligibility reflects the continued aging of the older classroom facilities at Righetti and Santa Maria High. Relative to portable classroom modernization eligibility, the District has approximately 30 portable classrooms as of fiscal year 2016-17 that are eligible for modernization grant funding of approximately \$4.7 million, increasing annually thereafter for the most part to \$15.5 million in 2025. All modernization projects require a local match to be provided by the District.

Table 2: Districtwide Permanent Classroom Modernization Eligibility*

Site	Total CRs	CRs	FY 2014-24	CRs	FY 2025	CRs	FY 2029	CRs	FY 2035	Total
Delta HS	11	0	\$0	0	\$0	0	\$0	11	\$1,738,935	\$1,738,935
Righetti HS	59	0	\$0	59	\$9,327,015	0	\$0	0	\$0	\$9,327,015
Pioneer Valley HS	84	0	\$0	0	\$0	84	\$13,279,140	0	\$0	\$13,279,140
Santa Maria HS	74	0	\$0	66	\$10,433,610	8	\$1,264,680	0	\$0	\$11,698,290
Total	228	0	\$0	125	\$19,760,625	92	\$14,543,820	11	\$1,738,935	\$36,043,380
Cumulative CRs				125		217		228		
Cumulative Total				\$19,760,625		\$34,304,445		\$36,043,380		

*In current dollars. Sources: Santa Maria Joint Union High School District, OPSC

Table 3: Districtwide Portable Classroom Modernization Eligibility*

Site	CRs	FY 2010-17	CRs	FY 2019	CRs	FY 2020	CRs	FY 2021	CRs	FY 2022
Delta HS	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
Righetti HS	20	\$3,161,700	1	\$158,085	6	\$948,510	2	\$316,170	7	\$1,106,595
Pioneer Valley HS	1	\$158,085	10	\$1,580,850	2	\$316,170	0	\$0	0	\$0
Santa Maria HS	9	\$1,422,765	8	\$1,264,680	6	\$948,510	11	\$1,738,935	0	\$0
Total	30	\$4,742,550	19	\$3,003,615	14	\$2,213,190	13	\$2,055,105	7	\$1,106,595
Cumulative CRs			49		63		76		83	
Cumulative Total			\$7,746,165		\$9,959,355		\$12,014,460		\$13,121,055	

Site	CRs	FY 2023	CRs	FY 2024	CRs	FY 2025	CRs	FY 2028	CRs	FY 2033
Delta HS	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
Righetti HS	0	\$0	4	\$632,340	0	\$0	1	\$158,085	0	\$0
Pioneer Valley HS	0	\$0	0	\$0	12	\$1,897,020	0	\$0	0	\$0
Santa Maria HS	0	\$0	0	\$0	0	\$0	0	\$0	12	\$1,897,020
Total	0	\$0	4	\$632,340	12	\$1,897,020	1	\$158,085	12	\$1,897,020
Cumulative CRs	83		87		99		100		112	
Cumulative Total		\$13,121,055		\$13,753,395		\$15,650,415		\$15,808,500		\$17,705,520

*In current dollars. Sources: Santa Maria Joint Union High School District, OPSC

4.2.2 NEW CONSTRUCTION ELIGIBILITY

The SFP new construction program provides State grants on a 50/50 State and local sharing basis for eligible projects that add permanent student housing capacity to a district. New construction grants may be used by the District at any existing or new school site. Table 4 provides a summary of the District’s anticipated new construction grant eligibility which has not changed from that reported in the March 2017 update. The District currently qualifies for approximately \$41.8 million in State new construction funding of which approximately \$6.1 million are available for Severe and Non-severe special education facilities. This does not include an available allowance, to be established by the State, for site development expenditures to accommodate required classroom improvements; an amount generally assumed to equal approximately 15% of the State grant amount. If applied to all grants, this amount would yield an additional allocation of approximately \$6.3 million, increasing the projected total to approximately \$48.1 million. These amounts would be subject to a local dollar-for-dollar match from the District.

Table 4: District's Estimated New Construction Eligibility*

Grade Level	SFP Per-Pupil Grant	Est. Eligible Pupils	Est. State Grant (50%)	Est. Local Match (50%)	Project Total (100%)
9-12	\$14,944	2,389	\$35,701,216	\$35,701,216	\$71,402,432
Non-severe	\$20,867	144	\$3,004,848	\$3,004,848	\$6,009,696
Severe	\$31,202	101	\$3,151,402	\$3,151,402	\$6,302,804
Subtotal		2,634	\$41,857,466	\$41,857,466	\$83,714,932
Est. Site Service (15%)			\$6,278,620	\$6,278,620	\$12,557,240
Grand Total		2,634	\$48,136,086	\$48,136,086	\$96,272,172

* In current dollars. Sources: Santa Maria Joint Union High School District, OPSC

Table 5 provides a summary of anticipated State aid applications for eligible improvements for Phase 1 improvement projects already underway. The District has submitted an estimated \$9.4 million in new construction applications associated with the newly constructed 14-classroom building at Santa Maria High and the Pioneer Valley Performing Arts Center. For the Santa Maria High 14-classroom building, an application for approximately \$5.6 million was originally submitted to the OPSC based on State loading of 27 students per classroom. A “use of grants” application was subsequently filed adding 56 pupils to the application based on loading each of the 14 classrooms with four additional students (i.e., 31 per classroom instead of 27). This resulted in approximately \$836,000 in estimated additional grant dollars for the project. For the Performing Arts Center, an application for approximately \$1.6 million was originally submitted to the OPSC based on State loading of 27 students per classroom. A “use of grants” application was subsequently filed adding 91 additional pupils based on a square footage calculation established by CDE and applied to the overall size of the project, resulting in an approximately \$1.4 million in estimated additional grant dollars. An application utilizing 1026 based pupil grants for approximately \$15.3 million for the Righetti 38-classroom building has been prepared and is anticipated to be submitted to the OPSC in October 2017 for eligible State reimbursements.

Table 5: Summary of Existing State New Construction Applications

	Base Grants	Per-Pupil Grant Effective 01-17	Est. Total State Grant (50%)	Est. Local Match (50%)	Project Total (100%)
Total Pupil Eligibility	2634	\$ 14,944	\$ 41,857,466	\$ 41,857,466	\$83,714,932
Project					
14-Classroom Building, Santa Maria High	434	\$ 14,944	\$ 6,485,696	\$ 6,485,696	\$12,971,392
Performing Arts Center, Pioneer Valley High *	199	\$ 14,944	\$ 2,973,856	\$ 2,973,856	\$ 5,947,712
38 Classroom Building, Righetti High	1026	\$ 14,944	\$ 15,332,544	\$ 15,332,544	\$30,665,088
CTE Center/ Ag Farm	351	\$ 14,944	\$ 5,245,344	\$ 5,245,344	\$10,490,688
Total	2010	\$ 14,944	\$ 30,037,440	\$ 30,037,440	\$60,074,880
Total Grants Remaining	624		\$ 12,133,850	\$ 12,133,850	\$24,267,700

* 91 additional grants are based on a square footage calculation established by CDE and applied to the overall size of the project.

In current dollars. Sources: Santa Maria Joint Union High School District, OPSC

Pending receipt of final CDE and DSA approval, an application for funding will be filed with the OPSC for the CTE Center/Ag Farm which is anticipated to yield approximately \$5.2 million. This is in addition to the resubmittal of the land purchase reimbursement for the CTE Center/Ag Farm site of approximately \$2.1 million. No pupil grants are required for reimbursement of land purchases, therefore it is not indicated in the table below. Absent this amount, the total anticipated reimbursements from Phase 1 reimbursement projects is estimated to be approximately \$30.0 million.

Given the lack of adequate funding for the SFP prior to the passage of Prop. 51, the District has pursued the construction of eligible projects from available local funds and to seek reimbursement for such projects as additional funding for State grants becomes available. Once all applications are submitted, processed and funded, it is anticipated that the District would receive State funding on a lump sum, per-project reimbursement basis. As demonstrated above, it is anticipated the District would be eligible to receive approximately \$30.0 million in State reimbursements for eligible Phase 1 improvement projects.

Of the projected 624 remaining new construction per-pupil grants, it is estimated the District may be able to garner approximately \$5.6 million in State base grants, plus an additional \$6.2 million for special day class pupils, as may be utilized by the educational program for a maximum total of \$11.8 million which may be applied towards the Phase 2 reconstruction of the Santa Maria High School as shown in Table 6. Once the CTE/Ag Farm land reimbursement is added to the sources of funding, an anticipated total of \$13.9 million grant funding is projected to be available from these sources for Phase 2 improvements. All new construction grants will require an equal local match.

Table 6: Remaining State New Construction Eligibility

Project	Base Grants	Per-Pupil Grant Effective 01-17	Est. Total State Grant (50%)	Est. Local Match (50%)	Project Total (100%)
Santa Maria High	624 *	\$ 14,944	\$ 11,820,026	\$ 11,820,026	\$23,640,052
Total	624	\$ 14,944	\$ 11,820,026	\$ 11,820,026	\$23,640,052
Total Grants Remaining		\$ -	\$ -	\$ -	\$ -
CTE Center/ Ag Farm Land Acquisition	N/A	N/A	\$ 2,079,005	\$ 2,079,005	\$ 4,158,011
Total Estimated New Construction Grants			\$ 13,899,031	\$ 13,899,031	\$27,798,063

In current dollars. Sources: Santa Maria Joint Union High School District, OPSC

** Includes 245 Special Day Class pupil grants*

4.2.3 COMBINED STATE GRANT ELIGIBILITY REMAINING FOR PHASE 2 IMPROVEMENTS

In total, approximately \$27 million in combined State aid grants has been identified in Table 7 of remaining eligibility for modernization and new construction of Phase 2 improvements based on the current schedule. Of this amount, \$13.1 million is from State modernization grants for portable facilities that will reach their 20-year eligibility during the term of the Phase 2 improvements; primarily from Righetti and Santa Maria High. This will require a local match for modernization of approximately \$8.7 million. Of the balance, approximately \$11.8 million in eligibility is from new construction grants, plus an additional \$2.1 million in anticipated reimbursement land acquisition grants for the CTE Center/Ag Farm, totaling

approximately \$13.9 million. These new construction grants will require an equal local match amount from the district and when coupled with the local modernization grant match, a total of approximately \$22.6 million in local match funds will be required.

Table 7: Combined State Eligibility Remaining for Modernization and New Construction

New Construction						
Project	Pupil Grants	Total Grants	Per-Pupil Grant Effective 01-17	Est. Total State Grant (50%)	Est. Local Match (50%)	Project Total (100%)
Santa Maria High	624	624	\$14,944-\$31,202	\$ 11,820,026	\$ 11,820,026	\$ 23,640,052
Subtotal	624	624		\$ 11,820,026	\$ 11,820,026	\$ 23,640,052
CTE Center/ Ag Farm Land Acquisition	N/A	N/A	N/A	\$ 2,079,005	\$ 2,079,005	\$ 4,158,011
Total Estimated New Construction Grants				\$ 13,899,031	\$ 13,899,031	\$ 27,798,063
Modernization						
Project	# of Portable Classrooms	Total Grants	Per-Pupil Grant Effective 01-17	Est. Total State Grant (60%)	Est. Local Match (40%)	Project Total (100%)
Righetti High	36	972	\$5,855	\$5,691,060	\$3,794,040	\$9,485,100
Pinoneer Valley High	13	351	\$5,855	\$2,055,105	\$1,370,070	\$3,425,175
Santa Maria High	34	918	\$5,855	\$5,374,890	\$3,583,260	\$8,958,150
Subtotal	83	2241		\$ 13,121,055	\$ 8,747,370	\$ 21,868,425
Total				\$ 27,020,086	\$ 22,646,401	\$ 49,666,488

4.2.4 JOINT USE PROGRAM

The SFP also provides a Joint-Use Program that allows school districts to utilize a joint-use partner and State funding to build a joint-use project the District would not otherwise be able to build due to lack of financial resources or SFP eligibility. For school districts, prior projects that have been funded by the State have included multipurpose rooms, gymnasiums and sport facilities. The State and local contribution to a joint-use project is 50/50. The State provides 50% of the project cost; with a maximum State contribution of \$1 million for an elementary school, \$1.5 million for a middle school and \$2 million for a high school. Participating districts must enter into a joint-use agreement with a joint use-partner. The program does not require the use of modernization or new construction pupil grants. However, any modernization or new construction grants previously utilized for a project would be deducted from the joint use grant, should a district wish to apply for joint use funds for the same facility.

The joint-use partner must match a minimum of 25% of the eligible project costs. If a district has passed a General Obligation (G.O.) bond which specifies that the monies are to be used specifically for the joint-use project, the district can opt to pay up to the full 50% local share of eligible costs. Anything beyond the eligible project costs is the responsibility of the joint use partner and/or the district.

The State has not been accepting applications for joint-use up to this point due to lack of funding. However, with the passage of Proposition 51, it is anticipated that the Joint Use Program may be replenished for an amount up to \$500 million dollars. In the past, however, projects to be considered

must have already received DSA and CDE approval and must demonstrate the ability to be constructed immediately.

To the extent funds are still available at that time, the District could submit for funding for eligible joint use projects. Any additional funds received through the joint use program may serve to augment revenues to the program and reallocate pupil grants elsewhere, where applicable. The District is currently reviewing options for participation, if any, and outcomes will be reported to the Board at the next 6 month report if not sooner.

4.2.5 CAREER TECHNICAL EDUCATION FACILITIES PROGRAM

An additional program offered by the State includes the Career Technical Education Facilities Program (CTEFP). The program provides grant funds to aid districts to reconfigure, construct, or modernize Career Technical Education (CTE) facilities, and/or purchase equipment for CTE programs. An additional \$500 million has been made available for the CTEFP through the passage of Proposition 51. The application process includes a two-stage process, with applicants first submitting a grant application to the California Department of Education (CDE) for a passing score. Upon receipt of a passing score, the applicant may submit a funding application to the Office of Public School Construction. The CDE application process is highly competitive and applicants must demonstrate strong pupil outcome measures in cooperation with local business and industry groups along with an active CTE Advisory Committee. The maximum grant for a new construction project is \$3 million per project, per school site, inclusive of equipment. The maximum grant for a modernization project is \$1.5 million per project, per school site, inclusive of equipment. A 50% District match is required for both new construction and modernization applications.

The program does not require the use of modernization or new construction pupil grants. However, any modernization or new construction grants previously utilized for a project would be deducted from the CTEFP grant, should a district wish to apply for CTEFP funds for the same facility. As with the Joint Use Program, the District is currently reviewing options for participation, if any, and outcomes will be reported to the Board at the next 6 month report if not sooner.

4.3 GENERAL OBLIGATION BONDS

The District has used G.O. bonds previously to fund major school facility improvements and has been successful in making use of public financing options and garnering community support to improve school facilities. To date, the District has issued all of its previous authorized bonds and has no remaining bond authorization from its 2000 and 2004 bond programs. In November 2016, voters in the District approved Measure “H”, a \$114 million G.O. bond authorization to provide the District with a secure local funding source to implement the next phase of improvements identified in the Program. Measure “H” will also allow the District the opportunity to leverage the State Aid matching grants identified in the earlier sections.

These bonds are secured by an annual levy on all taxable parcels within the boundaries of a school district. The levy is based on the assessed value of a parcel as determined by the county, pursuant to Proposition

13. Traditionally, G.O. bonds carry far lower interest and issuance costs than other financing options. Buyers of most California school bonds receive an exemption from state and federal taxes on the interest portion of the bonds purchased, allowing for a lower rate of interest to a district to finance improvements over time.

4.3.1 MEASURE “H” BOND SALE

On August 22, 2017, the District concluded the sale of \$47 million in Series 2017 General Obligation Bonds (Series 2017). The Series 2017 Bonds represent the first issuance of the \$114 million Measure “H” bond authorization. The District completed a number of financing-related activities in order to accomplish the sale, including a bond rating assessment, preliminary bond pricing, final bond pricing, and closing.

4.3.1.A CREDIT RATING

On June 14, 2017, District staff delivered a presentation to Moody’s Investor Services for the purposes of conducting a rating assessment of the proposed initial bond sale. The rating serves as a signal to potential bond investors regarding the District’s creditworthiness and ability to repay the bonds. The District’s presentation provided summary highlights of the District’s credit factors, including:

- Local and regional economy
- Population demographics and wealth characteristics
- District governance and fiscal policies
- Financial performance and financial health
- Proposed Series 2017 Bond debt structure

The District’s presentation was well received, resulting in the reaffirmation of the District’s strong credit rating of “Aa3”. The reaffirmation was a positive outcome for the District given downward rating pressure caused by periodic draw-downs on the District’s general fund reserve levels. The District effectively communicated the rationale for the planned draw-downs while emphasizing the District’s positive credit factors—stable assessed valuation base and steady enrollment growth—largely offsetting credit concerns. The rating analysts also discussed a potential upgrade in the future; however, the unpredictable nature of State funding for schools precluded the District from securing an upgrade at this time.

The “Aa3” rating represents a high grade, investment worthy credit for the District. Similar to one’s personal credit score, a strong rating corresponds to lower interest rates and cheaper, overall cost of borrowing. This positioned the District to secure lower interest rates at the time of the bond sale.

4.3.1.B PRE-PRICING AND MARKETING PERIOD

In preparation for the sale of the Series 2017 Bonds, the District finalized and published its bond prospectus, the Preliminary Official Statement (POS) on July 24, 2017. This allowed the District’s underwriter, Stifel, to initiate a pre-sale marketing of the District’s bonds by transmitting the POS to potential investors and announcing the scheduled pricing on August 7, 2017 and August 8, 2017. Typically,

the POS is published one week prior to the scheduled sale date, however, the extended marketing period provided ample time to conduct additional outreach to likely investors. This helped to promote the District's credit profile and the bond financing among investors, which in turn generated additional interest for the District's bonds.

4.3.1.C PRE-PRICING CALL

On August 7, 2017, the District participated in a pre-pricing conference call with the finance team to determine whether to enter the market and initiate the bond sale. The underwriter delivered information on the municipal bond market environment, pointing to certain favorable market factors, including:

- Positive tone in municipal interest rates with recent leveling of previous hikes
- Low volatility and corresponding market stability resulting from the recent strong jobs and quarterly earnings reports
- Low bond supply with few other municipal bond offerings to compete with the District's bond sale
- High investor money-flow resulting from the August 1, 2017 redemption period in the market

Further, the underwriter provided a preliminary interest rate proposal and evaluation of comparable bond transactions. Based on this information, the District authorized the underwriter to enter the market and accept investor bond orders.

4.3.1.D BOND SALE AND FINAL PRICING CALL

The District participated in a final pricing call with the underwriter and CFW on August 8, 2017. During the final pricing call, the District received a report from the underwriter regarding investor acceptance and bond demand during the bond order period. The District's bonds were very well received by investors. The underwriter received orders for all bond maturities, with select maturities garnering subscription of seven to ten times the amount of available bond proceeds. Aided by high demand, the District was able to successfully negotiate an interest rate reduction for most maturities ranging from 2 to 10 basis points (1/10th of 1%). Additionally, certain bond structure adjustments were made at the request of CFW, which helped to reduce borrowing costs.

A revised final bond proposal was presented to the District reflecting changes from the pre-pricing to final pricing period. The final sale resulted in an average interest rate of 3.01%, a reduction of 5 basis points. Moreover, the repayment ratio (ratio of total repayment cost to initial principal borrowed) resulted in less than 1.6 to 1. This figure is well below the 4.0 to 1 maximum level the State deems acceptable for a similar bond issuance.

Overall, the District was able to successfully execute its bond sale, in some cases securing lower interest rates compared to other districts with higher credit ratings.

4.3.1.E SOURCES AND USES OF BOND FUNDS

With a total of \$47 million in Series 2017 Measure “H” bonds sold, the District utilized approximately \$280,000 to pay costs of issuance which netted an estimated \$46.7 million in available project funds. Additionally, the District’s bond sale generated proceeds of \$2.8 million in the form of net premium which were utilized primarily for the purpose of paying capitalized interest on the bonds, as well as paying the underwriter expenses (underwriter discount). Following the sale of the Series 2017 Bonds, the District now has a remaining \$67 million in authorized Measure “H” bonds for future issuance and funding.

Table 8: Sources and Uses of Bond Funds

SOURCES AND USES OF FUNDS	
Santa Maria Joint Union High School District General Obligation Bonds, Election of 2016, Series 2017	
----- Final Numbers	
Dated Date	08/22/2017
Delivery Date	08/22/2017
Sources:	

Bond Proceeds:	
Par Amount	47,000,000.00
Net Premium	2,846,532.55

	49,846,532.55

Uses:	

Project Fund Deposits:	
Project Fund	46,720,000.00
Other Fund Deposits:	
Capitalized Interest Fund	2,705,532.55
Delivery Date Expenses:	
Cost of Issuance	280,000.00
Underwriter's Discount	141,000.00

	421,000.00

	49,846,532.55

4.3.2 AVAILABILITY OF FUTURE BOND FUNDING

The projected availability of potential future funding from Measure “H” is determined in large part by three primary components: statutory bonding capacity, assessed valuation (AV), and the Proposition 39 tax rate allowance for high school districts. State law governs how much long-term principal debt California school district may incur at any one time. For high school districts, the statutory bonding capacity, or debt limit, is equal to 1.25% of total district assessed value.

Based on the District’s assessed value of \$13.3 billion for fiscal year 2016-17, the District’s gross bonding capacity is estimated at \$165.9 million. However, prior bonds, including the recent issuance of \$47 million in Series 2017 Measure “H” bonds, account for a total of \$125.6 million in total outstanding principal debt. As a result, the District’s remaining net bonding capacity at this time is calculated at \$40.2 million in Table 9. This is well below the District’s statutory bonding limit of 1.25%. The District’s net bonding capacity is

estimated to increase as assessed value increases and outstanding principal debt is repaid in the coming years.

Table 9: Bonding Capacity Analysis

Bonding Capacity Analysis	
Total FY 2016-17 Assessed Value(1)	\$ 13,270,719,001
Applicable Debt Limit Factor	1.25%
Total Bonding Capacity	\$ 165,883,988
Previously Issued, Outstanding Principal	\$ 125,634,254
Net Remaining Bonding Capacity	\$ 40,249,734
Percent Bonding Indebtedness	0.95%
(1) FY 2017-18 AV not yet available	

The District’s AV serves as the source from which tax revenues are derived for purposes of repaying bond debt service. As AV grows, so too the District’s ability to repay a greater amount of bond debt service and therefore its ability to issue additional bonds.

Table 10: Historical Assessed Valuation

Historical Assessed Valuation		
FYE	Total	% Change
2002	\$6,175,466,301	N/A
2003	\$6,619,512,564	7.19%
2004	\$7,232,731,738	9.26%
2005	\$8,083,327,238	11.76%
2006	\$9,322,627,058	15.33%
2007	\$10,549,246,604	13.16%
2008	\$11,327,913,388	7.38%
2009	\$11,301,842,676	-0.23%
2010	\$10,971,708,827	-2.92%
2011	\$11,055,236,700	0.76%
2012	\$11,257,304,344	1.83%
2013	\$11,453,441,156	1.74%
2014	\$11,713,432,612	2.27%
2015	\$12,309,305,008	5.09%
2016	\$12,949,471,442	5.20%
2017	\$13,270,719,001	2.48%
5-Year Average		3.36%
10-Year Average		2.36%
15-Year Average		5.35%

Historically, the District’s AV has performed relatively well, with some minimal periods of decline. During the early to mid 2000’s the District’s AV experienced growth ranging from approximately 7% to 15% annually. This coincided with a period of strong economic performance statewide. Conversely, as the economy contracted during the Great Recession, beginning in 2009 the District’s AV experienced periods of contraction in 2009 and 2010.

The District’s AV has averaged 5.35% annually over the last 15-year period. Most recently, over a 5-year period, the AV growth has averaged 3.36% annually. While AV growth has slowed compared to the early-mid 2000’s, it may indicate a more sustainable pace of economic expansion within the District. As it relates to the estimated availability of remaining Measure “H” bond authorization, a District future annual AV growth estimate of 3% appears to be moderate to conservative as it is within the District most recent historical growth averages. Table 11 takes these factors into consideration and projects sufficient bonding capacity available to sell the total remaining \$67 million authorization of Measure “H” bonds by FY 2019-20, if needed.

Table 11: Estimated Future Bonding Capacity

ESTIMATED FUTURE BONDING CAPACITY						
FY	Assessed Value (AV)	% AV Growth	Gross Bonding Cap (AV x 1.25%)	Outstanding Principal	% indebtedness (Outs. Principal/AV)	Net Bonding Capacity (Bonding Cap - Outs. Principal)
2017	\$ 13,270,719,001			\$ 83,049,254.00		
2018	\$ 13,270,719,001	0.0%	\$ 165,883,987.51	\$ 125,634,253.60	0.95%	\$ 40,249,734
2019	\$ 13,668,840,571	3.0%	\$ 170,860,507.14	\$ 116,734,253.60	0.85%	\$ 54,126,254
2020	\$ 14,078,905,788	3.0%	\$ 175,986,322.35	\$ 108,014,253.60	0.77%	\$ 67,972,069
2021	\$ 14,501,272,962	3.0%	\$ 181,265,912.02	\$ 100,609,253.60	0.69%	\$ 80,656,658
2022	\$ 14,936,311,151	3.0%	\$ 186,703,889.38	\$ 98,214,253.60	0.66%	\$ 88,489,636
2023	\$ 15,384,400,485	3.0%	\$ 192,305,006.06	\$ 94,879,253.60	0.62%	\$ 97,425,752
2024	\$ 15,845,932,500	3.0%	\$ 198,074,156.25	\$ 91,169,253.60	0.58%	\$ 106,904,903
2025	\$ 16,321,310,475	3.0%	\$ 204,016,380.93	\$ 87,024,253.60	0.53%	\$ 116,992,127
2026	\$ 16,810,949,789	3.0%	\$ 210,136,872.36	\$ 83,314,253.60	0.50%	\$ 126,822,619
2027	\$ 17,315,278,283	3.0%	\$ 216,440,978.53	\$ 79,199,253.60	0.46%	\$ 137,241,725

It should be noted however, the availability of future bond funds is also dependent on sufficient growth to accommodate the Proposition 39 tax rate allowance for high school districts. Based on Proposition 39, under which Measure “H” was held, the District is legally permitted to sell bonds up to the amount authorized by voters, so long as the bonds may be reasonably supported by a maximum tax rate of \$30 per every \$100,000 of assessed property value.

The Series 2017 Bonds were structured to maximize the full Proposition 39 tax rate allowance of \$30 per \$100,000 of AV to generate sufficient bond proceeds to meet the immediate capital funding needs of the District. However, recognizing that \$67 million in unsold Measure “H” bonds remain, the Series 2017 Bond debt service was also structured to create tax rate capacity for a subsequent bond issuance in the future. Table 12 demonstrates a projected estimated tax rate decreasing below the \$30 tax rate limit to approximately \$8.41 in year 2021 and remaining at approximately \$14.27 thereafter assuming a 3.0% annual growth in AV. This would allow for the issuance of substantial amounts of additional bond sales, if needed, as early as 2021.

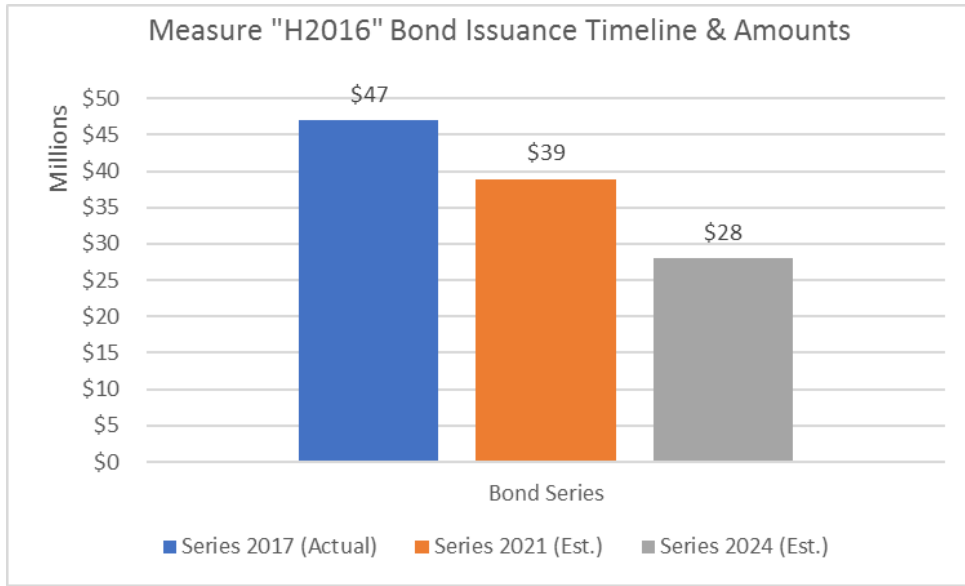
Table 12: Estimate of Bonds Tax Rates

Santa Maria Joint Union High School District Measure "H2016" General Obligation Bonds Estimate of Bonds Tax Rates				
\$47,000,000				
Period	Total	Assessed	Actual	Estimated
Ending	Assessed	Value	Series 2017	Tax Rate
1-Aug	Value	Growth Rate ⁽¹⁾	Debt Service	(per \$100K of AV) ⁽²⁾
2017	13,270,719,001	-	-	-
2018	13,668,840,571	3.0%	3,800,000	29.48
2019	14,078,905,788	3.0%	4,137,945	29.47
2020	14,501,272,962	3.0%	4,263,131	29.48
2021	14,936,311,151	3.0%	1,422,881	8.41
2022	15,384,400,485	3.0%	1,422,881	9.33
2023	15,845,932,500	3.0%	1,422,881	8.99
2024	16,321,310,475	3.0%	1,422,881	8.73
2025	16,810,949,789	3.0%	1,422,881	8.47
2026	17,315,278,283	3.0%	1,422,881	8.23
2027	17,834,736,631	3.0%	2,537,881	14.62
2028	18,369,778,730	3.0%	2,617,131	14.27
2029	18,920,872,092	3.0%	2,694,631	14.28
2030	19,488,498,255	3.0%	2,775,131	14.28
2031	20,073,153,202	3.0%	2,858,131	14.28
2032	20,675,347,798	3.0%	2,945,131	14.29
2033	21,295,608,232	3.0%	3,030,931	14.27
2034	21,934,476,479	3.0%	3,120,481	14.27
2035	22,592,510,774	3.0%	3,215,531	14.27
2036	23,270,286,097	3.0%	3,310,781	14.27
2037	23,968,394,680	3.0%	3,411,081	14.27
2038	24,687,446,520	3.0%	3,512,800	14.27
2039	25,428,069,916	3.0%	3,618,800	14.27
2040	26,190,912,013	3.0%	3,726,000	14.27
2041	26,976,639,374	3.0%	3,839,000	14.27
2042	27,785,938,555	3.0%	3,957,200	14.28
2043	28,619,516,712	3.0%		
2044	29,478,102,213	3.0%		
2045	30,362,445,279	3.0%		

(1) Reflects actual growth for FY2016-17 of 2.3%; assumes 3% growth thereafter.
(2) Estimated tax rate assumes unsecured delinquency rate of 5%.

Figure 4 demonstrates a projected timeline and bond sale amounts that may be available based on the above assumptions. It demonstrates that a subsequent bond sale of approximately \$39.0 million could be made available as early as 2021 followed by a subsequent amount in 2024 of \$28.0 which would close out the remaining authorization, if needed. However, if AV increases at a faster rate in the interim, the next bond issuance may occur earlier or in a greater bond amount. Alternatively, if AV growth is sluggish, the District may delay the sale of additional bonds until assessed value grows and there are is additional tax rate capacity to support a bond sale the District deems economically viable.

Figure 4: Estimated Measure “H” Bond Issuance Timeline and Amounts



4.4 DEVELOPER FEES

Developer fees levied on new residential and commercial construction in a school district attendance area are permissible under State Education Code, Section 17620. The purpose of these fees is to offset the student enrollment impact that would be generated by new development. Fees may be used to fund the construction of new school facilities, the modernization of existing facilities, or the reopening of closed facilities. The code also permits an inflation-based increase in developer fees every two years based on changes in the Class B construction index. There are three levels of Developer Fees that can be assessed:

- Level 1 fees are established by statute and adjusted by the State Allocation Board and are currently \$3.48 per square foot of residential development and \$0.56 per square foot of commercial and industrial development
- Level 2 fees constitute up to 50% of the State allowed cost for construction and sites, if the school district meets specified eligibility tests and assumes that the will State pay for the other 50% of cost through the SFP
- Level 3 fees are the same as Level 2, but include the State's 50% share as well, but only when the State declares it is out of funds for new construction

A district justification study must be completed in order to levy Level 1 or Level 2 fees and in the event that the State declares that it is out of new construction state grant funds, the same report may allow the District to levy Level 3 fees. In April 2016, the District adopted a Developer Fee Justification Study prepared by SchoolWorks, Inc. that established the justification for collecting Level 1 fees at the adjusted level of \$3.48 per square foot of residential construction and \$0.56 per square foot of commercial or industrial construction. However, the District is permitted to claim only a portion of the total allowable fee, equal to their share of grade levels served. As a high school district, Santa Maria JUHSD can claim the

4/13ths of the total fees, with the remainder distributed to feeder elementary school districts. Hence, for each square foot of new residential construction, the District may claim \$1.07.

In June 2017, the District adopted a School Facilities Needs Analysis, also prepared by SchoolWorks, Inc., which established the District's ability to levy Level 2 fees at a rate of \$2.33 for its share of projected impact from new residential development. This may be applied by the District as an alternative to the Level 1 fee.

Using available County and local data, the Study estimates that an additional 1,766, residential homes at an average of 1,861 square feet will be built in the District over the next 5 years (2017-18 through 2021-22). From this data, SchoolWorks calculated the anticipated revenue from developer fees to be approximately \$7.6 million over the next five years. The District is required to complete an annual update to the Level 2 Study in order to continue collecting Level 2 fees during this period.

At the beginning of Phase 1 of the Program (July 1, 2014), the District had a fund balance in its Developer account of \$964,500. During the period of July 1, 2014 -June 30, 2017, the District received approximately \$4.6 million in Developer Fee revenues, of which approximately \$1.2 million were expended on other facility related expenditures outside of the Program, leaving approximately \$3.4 million available to the Program. A grand total of approximately \$4.4 million is estimated to be used in Phase 1. Assuming the approximately \$7.6 million in projected developer fee collections for use in Phase 2, a total of approximately \$12 million is projected over the course of the Program. Future receipts are subject to adjustment upon the biannual review of Level 1 fees by the State Allocation Board and the District's annual School Facilities Needs Analysis for justifying Level 2 fees.

SECTION 5

MASTER BUDGET & SCHEDULE

The Reconfiguration and Facilities Program provides a consolidated Master Budget and Master Schedule which merges and integrates the Measure “H” bond program and proposed projects and relies on other local funding, including developer fees, and capital program balances. The Program also seeks to maximize State aid reimbursements for modernization and construction of school facilities as State funds become available.

The integrated Program includes two improvement phases which commenced in 2014 and are anticipated to be complete in 2029. The total adopted budget for all phases is approximately \$228 million, inclusive of a Program Reserve to accommodate changes in program as mandated from time to time by the State and as may be needed to accommodate local program requirements. Each project is unique in its scope, schedule, and amount of funding. All projects must be addressed with the amount of available funding. The budget represents an “all-in” Master Budget that combines hard construction costs with anticipated soft costs (e.g., design fees, contractor’s fees, consulting services, testing and inspection services, agency approval fees, etc.) resulting in the total cost estimated to fully implement the Program.

The following components update the Board on the status of the previously adopted master budget, schedule and timeline as of the previous six-month review and recommended adjustments for the next six-month period. Adjustments include proposed budget increases to current construction projects due to specific project construction needs and required professional services as previously approved by the Board.

5.1 ADOPTED MASTER BUDGET

In March 2017, the Board adopted a Master Budget of approximately \$228 million relying on various sources, including proceeds from prior and proposed bond authorizations, State grant reimbursements, developer fees, and existing District funds. Phase 1 improvements were budgeted to total approximately \$50 million and Phase 2 improvements were estimated at \$150.3 million. A program reserve was included at approximately \$600,000 in Phase 1 and \$27.1 million in Phase 2, for a total reserve of \$27.7 million over the course of the program. For purposes of designing a program master budget, the total project budget is inclusive of both “hard” costs and “soft” costs. Hard costs directly relate to construction itself (e.g., materials and labor). Soft costs consist of expense items that are integral to the building process but are not direct construction costs. They include architectural, engineering, financing, and legal fees, and other pre- and post-construction expenses.

Table 13: Adopted Master Budget, FY 2015-23 (from March 2017 Program Update)

Sources	Phase 1	Phase 2	Total
New G.O. Bond Authorization			
Series A	\$ -	\$ 45,127,786	\$ 45,127,786
Series B	\$ -	\$ 37,851,331	\$ 37,851,331
Series C	\$ -	\$ 30,702,261	\$ 30,702,261
Existing Building Fund Balance (incl. bond proceeds)	\$ 43,145,254	\$ -	\$ 43,145,254
Existing State Aid Eligibility	\$ 3,748,840	\$ 29,723,616	\$ 33,472,456
Existing Deferred Maintenance	\$ -	\$ -	\$ -
Estimated Future State Aid Eligibility	\$ -	\$ 27,333,160	\$ 27,333,160
Estimated Projected Developer Fee Receipts	\$ 3,751,336	\$ 6,659,226	\$ 10,410,562
Estimated Total Funds	\$ 50,645,430	\$ 177,397,380	\$ 228,042,809
Uses	Phase 1	Phase 2	Total
Righetti High	\$ 24,302,798	\$ 31,593,477	\$ 55,896,275
Pioneer Valley High	\$ 10,791,416	\$ 8,028,428	\$ 18,819,844
Santa Maria High	\$ -	\$ 70,466,034	\$ 70,466,034
Delta High	\$ 138,105	\$ -	\$ 138,105
CTE/Ag Farm			
Land Acquisition	\$ 4,156,511		\$ 4,156,511
Facilities / Site Development	\$ 10,335,543	\$ 6,204,874	\$ 16,540,417
Districtwide			
Master Site Planning	\$ 320,000	\$ -	\$ 320,000
Additional Classrooms	\$ -	\$ 34,003,821	\$ 34,003,821
Subtotal	\$ 50,044,373	\$ 150,296,634	\$ 200,341,007
Program Reserve	\$ 601,057	\$ 27,100,746	\$ 27,701,802
Estimated Total Uses	\$ 50,645,430	\$ 177,397,380	\$ 228,042,809

Source: CFW, Inc.

5.2 REVISED MASTER BUDGET

Table 14 provides a Revised Master Budget of approximately \$229.6 million for Board consideration as part of this semi-annual Program update.

Table 14: Revised Master Budget, FY 2015-23

Sources	Phase 1	Phase 2	Total
New G.O. Bond Authorization			
Series A	\$ -	\$ 46,720,000	\$ 46,720,000
Series B	\$ -	\$ 38,939,240	\$ 38,939,240
Series C	\$ -	\$ 27,952,214	\$ 27,952,214
Existing Building Fund Balance (incl. bond proceeds)	\$ 43,145,254	\$ -	\$ 43,145,254
Existing State Aid Eligibility	\$ 3,748,840	\$ 30,037,440	\$ 33,786,280
Existing Deferred Maintenance	\$ -	\$ -	\$ -
Estimated Future State Aid Eligibility	\$ -	\$ 27,020,086	\$ 27,020,086
Estimated Projected Developer Fee Receipts	\$ 4,360,741	\$ 7,656,441	\$ 12,017,182
Estimated Total Funds	\$ 51,254,834	\$ 178,325,422	\$ 229,580,256
Uses	Phase 1	Phase 2	Total
Righetti High	\$ 24,445,187	\$ 31,593,477	\$ 56,038,664
Pioneer Valley High	\$ 11,066,416	\$ 8,028,428	\$ 19,094,844
Santa Maria High	\$ -	\$ 74,640,707	\$ 74,640,707
Delta High	\$ 138,105	\$ -	\$ 138,105
CTE/Ag Farm			
Land Acquisition	\$ 4,163,611		\$ 4,163,611
Facilities / Site Development	\$ 10,335,543	\$ 6,197,774	\$ 16,533,317
Districtwide			
Master Site Planning	\$ 320,000	\$ -	\$ 320,000
Additional Classrooms	\$ -	\$ 34,003,821	\$ 34,003,821
Subtotal	\$ 50,468,861	\$ 154,464,208	\$ 204,933,069
Program Reserve	\$ 785,973	\$ 23,861,214	\$ 24,647,187
Estimated Total Uses	\$ 51,254,834	\$ 178,325,422	\$ 229,580,256

Source: CFW, Inc.

Table 15 provides a comparison of the Adopted March 2017 Master Budget and the proposed revised October 2017 Master Budget, along with an indication of the variances described herein. When compared to the March 2017 adopted Master Budget, projected revenues have increased based primarily from increased anticipated developer fees, and have been adjusted to account for the recent “Measure H” bond sale and updated projections of future bond sales. Expected expenses have been adjusted by \$142,388 in anticipated budget increases to encumbered soft costs (e.g., inspection fees, asbestos abatement, construction testing, etc.) associated for the new 38 classroom building at Righetti High School. Due to an elongated DSA review for the District’s Performing Arts Center at Pioneer Valley High, the construction period lasted longer than originally anticipated, resulting in an increase of \$275,000. An increase of approximately \$4.2 million is recommended to the Santa Maria High School Reconstruction budget. This increase is a result of refinements to the scope of work to the administration and classroom building design including two additional classrooms to the new classroom facility and an increase to the administration facility to include student services. These refinements have increased the program by approximately 11,000 square feet for the new facilities, resulting in additional costs.

Lastly, the budget for the CTE Center/Ag Farm facility has been adjusted to reflect additional survey costs included within the land acquisition budget, and subsequently reduced from the facilities budget (accommodated from project reserve) thereby resulting in no net change to the overall budget for the project. Proposed changes are accommodated through a net reduction of the program reserve of approximately \$3 million.

Table 15: Variance Between Adopted Master Budget and Revised Master Budget

SOURCES	Phase 1			Phase 2			Adjusted Budget Total (October 2017)
	Adopted Budget (March 2017)	Adjusted Budget (October 2017)	Variance	Adopted Budget (March 2017)	Adjusted Budget (October 2017)	Variance	
New Bond Authorization							
Series A	\$ -	\$ -	\$ -	\$ 45,127,786	\$ 46,720,000	\$ 1,592,214	\$ 46,720,000
Series B	\$ -	\$ -	\$ -	\$ 37,851,331	\$ 38,939,240	\$ 1,087,910	\$ 38,939,240
Series C	\$ -	\$ -	\$ -	\$ 30,702,261	\$ 27,952,214	\$ (2,750,047)	\$ 27,952,214
Existing Building Fund Balance (incl. bond proceeds)	\$ 43,145,254	\$ 43,145,254	\$ -	\$ -	\$ -	\$ -	\$ 43,145,254
Existing State Aid Eligibility	\$ 3,748,840	\$ 3,748,840	\$ -	\$ 29,723,616	\$ 30,037,440	\$ 313,824	\$ 33,786,280
Existing Deferred Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Est. Future State Aid Eligibility	\$ -	\$ -	\$ -	\$ 27,333,160	\$ 27,020,086	\$ (313,074)	\$ 27,020,086
Est. Projected Developer Fee Receipts	\$ 3,751,336	\$ 4,360,741	\$ 609,405	\$ 6,659,226	\$ 7,656,441	\$ 997,215	\$ 12,017,182
Estimated Total Funds	\$ 50,645,430	\$ 51,254,834	\$ 609,405	\$ 177,397,380	\$ 178,325,422	\$ 928,042	\$ 229,580,256

USES	Phase 1			Phase 2			Adjusted Budget Total (October 2017)
	Adopted Budget (March 2017)	Adjusted Budget (October 2017)	Variance	Adopted Budget (March 2017)	Adjusted Budget (October 2017)	Variance	
Righetti High	\$ 24,302,798	\$ 24,445,187	\$ 142,388	\$ 31,593,477	\$ 31,593,477	\$ -	\$ 56,038,664
Pioneer Valley High	\$ 10,791,416	\$ 11,066,416	\$ 275,000	\$ 8,028,428	\$ 8,028,428	\$ -	\$ 19,094,844
Santa Maria High	\$ -	\$ -	\$ -	\$ 70,466,034	\$ 74,640,707	\$ 4,174,674	\$ 74,640,707
Delta High	\$ 138,105	\$ 138,105	\$ -	\$ -	\$ -	\$ -	\$ 138,105
CTE/Ag Farm							
Land Acquisition	\$ 4,156,511	\$ 4,163,611	\$ 7,100	\$ -	\$ -	\$ -	\$ 4,163,611
Facilities / Site Development	\$ 10,335,543	\$ 10,335,543	\$ -	\$ 6,204,874	\$ 6,197,774	\$ (7,100)	\$ 16,533,317
Districtwide							
Master Site Planning	\$ 320,000	\$ 320,000	\$ -	\$ -	\$ -	\$ -	\$ 320,000
Additional Classrooms	\$ -	\$ -	\$ -	\$ 34,003,821	\$ 34,003,821	\$ -	\$ 34,003,821
Subtotal	\$ 50,044,373	\$ 50,468,861	\$ 424,488	\$ 150,296,634	\$ 154,464,208	\$ 4,167,574	\$ 204,933,069
Program Reserve	\$ 601,057	\$ 785,973	\$ 184,916	\$ 27,100,746	\$ 23,861,214	\$ (3,239,532)	\$ 24,647,187
Estimated Total Uses	\$ 50,645,430	\$ 51,254,834	\$ 609,405	\$ 177,397,380	\$ 178,325,422	\$ 928,042	\$ 229,580,256

Source: CFW, Inc.

5.3 MASTER SCHEDULE

The revised Master Schedule is presented in Table 16. The Phase 1 end date has been extended for Delta High School to allow for work in summer 2018 to install upgraded furnishings, fixtures, and equipment in select classrooms. The Phase 2 implementation for the gymnasium project at Righetti High School has been updated from an FY2019-20 start to an FY2020-21 start due to anticipated availability of funding, primarily from delays in State aid reimbursement. Remaining project schedules continue to be unchanged as reported in March 2017.

Table 16: Master Schedule

PHASE 1					
School	Project	Cost	Scheduled		Est. Total Months
			Start	End	
Righetti High	New Classroom Facility	\$24,445,187	8/2014	1/2019	54
Pioneer Valley High	New Performing Arts Center Addition to Bldg. J	\$11,066,416	8/2014	6/2017	35
Delta High	Classroom, Site Infrastructure, and Maint. Imprvs.	\$138,105	8/2014	9/2018	50
CTE/Ag Farm	Land Acquisition and Construction of Facilities	\$14,499,154	8/2014	1/2019	54
Districtwide	Master Site Planning	\$320,000	9/2015	11/2016	15
	Phase 1 Subtotal	\$50,468,861			
	Program Reserve	\$785,973			
	Phase 1 Total	\$51,254,834			
PHASE 2					
School	Project	Cost	Scheduled		Est. Total Months
			Start	End	
Righetti High	Classroom, Site Infrastructure, and Maint. Imprvs.	\$15,603,180	7/2017	7/2022	61
	New Practice Gym / Performance Space	\$15,990,297	7/2020	7/2025	61
	Subtotal	\$31,593,477			
Pioneer Valley High	Classroom, Site Infrastructure, and Maint. Imprvs.	\$8,028,428	7/2019	6/2022	36
Santa Maria High	New Classrooms, Athletic, and Support Facilities	\$62,794,424	1/2017	6/2020	42
	Auditorium Renovation	\$11,846,283	1/2017	6/2020	42
	Subtotal	\$74,640,707			
CTE/Ag Farm	Construction of CTE Pavillion	\$6,197,774	4/2017	6/2019	27
Districtwide	District Enrollment Capacity Improvement	\$34,003,821	7/2022	6/2025	36
	Phase 2 Subtotal	\$154,464,208			
	Program Reserve	\$23,861,214			
	Phase 2 Total	\$178,325,422			
	Phase 1 & 2 Total	\$229,580,256			

Source: CFW, Inc.

5.4 PROGRAM EXPENDITURES

As a part of its program management services, the Program Team established a budget and expenditures tracking protocol for projects under implementation. As of the March 2017 Program update, the total budget for projects under implementation was approximately \$126.7 million. These amounts have been updated to include all expenditures to date as of August 2017 and any changes to anticipated commitments. As needed, the Program Reserve and estimated ending fund balance will be utilized to accommodate unforeseen budget adjustments.

Table 17 provides a summary of expenditures made for the Program during the period of July 1, 2014 through August 31, 2017. The balance presented in Table 17 reflects the Adopted Budget approved by the Board for the Reconfiguration and Facilities Program in March 2017, less expenditures through August 31, 2017. The information is also presented by fiscal year to match the District's financial accounting system

and includes expenditures from July 1, 2010 through June 30, 2014 relating to the Pioneer Valley High Performing Arts Center project and the CTE Center/Ag Farm land acquisition, which commenced prior to the development of the Program. Expenditures made after this reporting period will be accounted for in the next semi-annual update. Once the recommended budget adjustments are approved as part of this current update, subsequent expenditure reports will reflect the revised budget value.

Table 17: Program Expenditures as of August 31, 2017

Project	Program Expenditures (as of 8/31/17)						Total	Balance
	Adopted Budget	7/1/10 - 6/30/14	7/1/14 - 6/30/15	7/1/15 - 6/30/16	7/1/16 - 6/30/17	7/1/17 - 8/31/17		
Righetti High School								
New Classroom Facility	\$24,302,798	\$0	\$683,458	\$1,087,007	\$3,663,391	\$632,590	\$6,066,445	\$18,236,353
Pioneer Valley High School								
New Performing Arts Center Addition to Bldg J.	\$10,791,416	\$737,084	\$173,726	\$2,494,400	\$4,090,517	\$9,577	\$7,505,305	\$3,286,111
Delta High School								
Classroom, Site Infrastructure, and Maintenance Improvements	\$138,105	\$0	\$2,299	\$2,442	\$560	\$0	\$5,301	\$132,804
CTE/Ag Farm								
Land Acquisition	\$4,156,511	\$145,542	\$210,526	\$3,793,495	\$9,048	\$3,390	\$4,162,001	(\$5,490)
Construction of Facilities	\$16,540,417	\$0	\$134,395	\$96,718	\$930,193	\$19,958	\$1,181,264	\$15,359,153
Santa Maria High School								
New Classrooms, Support Facilities, and Ethel Pope	\$70,466,034	\$0	\$0	\$0	\$250,020	\$80,142	\$330,161	\$70,135,872
Districtwide								
Master Site Planning	\$320,000	\$0	\$0	\$230,000	\$0	\$0	\$230,000	\$90,000
Project Total	\$126,715,280	\$882,626	\$1,204,404	\$7,704,062	\$8,943,728	\$745,657	\$19,480,477	\$107,234,803

Notes:

- Total expenditures for the period July 1, 2014 - August 31, 2017 was \$29,122,849
This amount includes \$18,597,851 in Reconfiguration & Facilities Program expenditures
plus \$10,524,997 in other District facility related improvements outside of the Reconfiguration & Facilities Program

Source: Santa Maria Joint Union High School District

The figures in Table 17 above do not include encumbrances for projects under implementation.

SECTION 6

RECOMMENDATIONS

Upon review and consideration, it is recommended that the Board of Education:

- Accept and adopt the October 2017 semi-annual Program update to the Reconfiguration and Facilities Program, including recommended adjustments to projects, the Master Budget and Timeline
- Consider the next semi-annual Program update at its regularly scheduled March 2018 meeting