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**ALPINE COUNTY
OFFICE OF EDUCATION**

**FACILITY
MASTER PLAN
2020**

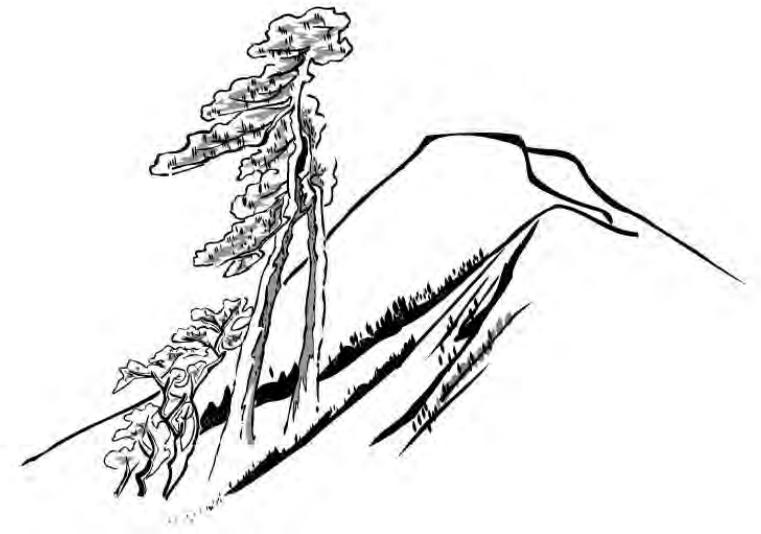


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BACKGROUND ON MASTER PLANNING

Facility Master Planning is essential in preparing for the long-term capital needs of a county office of education and to identify improvements needed to adequately serve the anticipated student population within a county's boundaries over the next 10 to 15 years. A Facility Master Plan (FMP) provides information regarding current and future needs for student housing, quality of facilities, and facilities renovation and expansion requirements to support educational and programmatic goals. An FMP is created to identify specific capital needs, provide data to support the needs identified, and provide a plan for how to address the needs. An FMP is a flexible document that can be revisited and updated periodically to serve as the framework for the construction of necessary facilities.

The Alpine County Office of Education (the COE) has a successful history of facilities planning. The COE's last FMP was done in conjunction with the Unified School District, and adopted by the Board of Trustees in 2018. It primarily identified improvements to the existing school campuses, and helped the community understand the need for local funding to improve the learning environments for the students of Alpine County. This updated FMP includes an overview of the remaining projects to be completed from the 2018 FMP, and any new projects that have become priority in the last two years.

ABOUT ALPINE COUNTY AND THE ALPINE COUNTY OFFICE OF EDUCATION

Alpine County

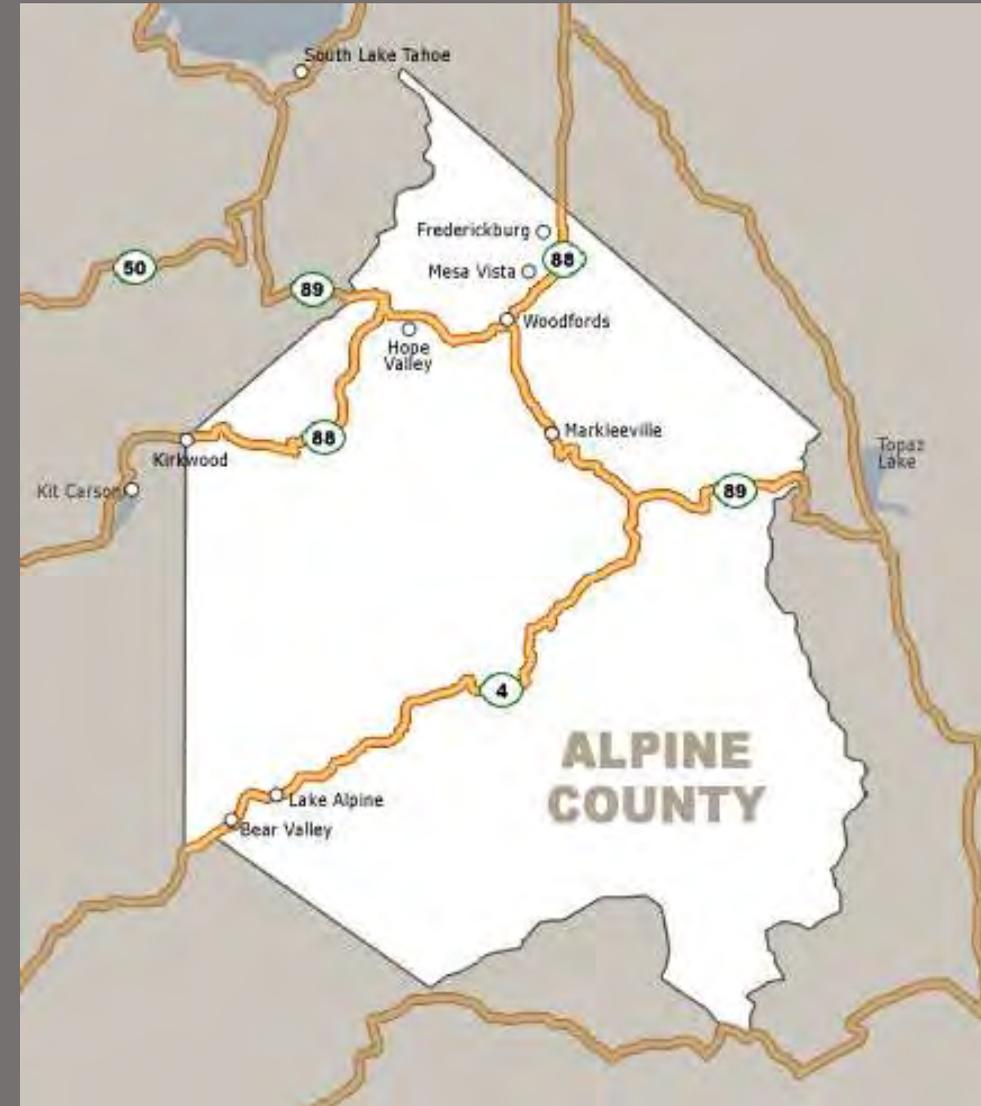
Alpine County is considered a frontier county with a population density of two people per square mile. This makes the County the least populated county in California with approximately 1,200 permanent residents. The majority (95%) of the county's 740 square miles is composed of forestry reserves.

The Sierra Nevada Mountain range divides the county into an eastern and western section. The Bear Valley community is located on the western slope of the mountains, while the county seat of Markleeville is located on the eastern side. During the winter months, the Bear Valley community is completely closed off from Markleeville, as Ebbett's Pass closes for the season due to heavy snow. Markleeville is only accessible from the north through the Lake Tahoe Basin or the east from Douglas County, Nevada.

Alpine County Office of Education

Alpine County Office of Education and Alpine Unified School District are coterminous entities that serve the students of Alpine County. Although they are separate legal entities, they are served by the same administrative staff and board members.

The Early Learning Center is the only currently active facility of the County Office. It is licensed to care for up to 50 children, however enrollment in the program generally is at around 20-30 infants and children.



EARLY LEARNING CENTER

The Early Learning Center is a County Office of Education owned site that opened in 2004 as a child care and education facility for children; infants to five years old.

In addition to this, there are some buildings on site that are leased for office space and also house support services for the Alpine County Office of Education.



EARLY LEARNING CENTER FACILITY PROJECTS

Many of the projects that were originally identified in the 2018 FMP are still need for the Early Learning Center. While projects within the school district are being funded by general obligation bonds, the County Office of Education does not have that funding option.

Project	Estimated Cost
Preschool Building Improvements	\$282,000
Multipurpose Building Improvements	\$220,000
Former Church Building Demolition	\$402,000
Replace Former Parsonage Building with Modular	\$600,000
Survey Campus	\$6,000
Geotechnical and Civil Engineer Evaluation	\$12,000
TOTAL	\$1,522,000

FUNDING FACILITY NEEDS

School facilities in California are traditionally funded from a combination of State and local sources. However, the funding for county offices of education is vastly different than what options a school district has. Since the COE cannot obtain authorization for voter approved debt, nor are they legally able to collect developer fees from new construction within the County, the ability to fund facilities improvements is more restricted.

The following provides a summary of some of the funding sources available to County Offices of Education.

Summary of Potential Funding Sources

The COE intends to contribute all available revenue toward the construction of its facilities projects, but lacks sufficient funding to pay for all necessary construction. A combination of funding sources will be necessary to complete the necessary facilities projects. Following is a summary of each funding source available to the District:

- State School Facility Program
 - Financial Hardship Program
- General Fund



State School Facility Program

The State School Facility Program (SFP) is a funding program whereby the State provides matching funds to school districts and County Offices of Education who are embarking on eligible construction projects. The State School Facility Program is funded through statewide general obligation bonds. In November 2016, California voters approved Proposition 51 authorizing \$9 billion of funding, however a March 2020 State-wide bond measure was not as successful. Most of the \$9 billion has already been allocated to projects, and waitlists have begun for when eventual additional State funding is approved by voters.

While there is no future proposed Statewide bond at this time, we have to assume that at some point in the near future a new measure will be on the ballot for additional school facility funds to reimburse projects that have already applied and future projects as well. While we cannot foresee changes to the funding formulas or requirements of the State program with future State bonds, we can look at past programs and base our assumptions accordingly.

Financial Hardship

Under the SFP, there are different programs in which projects can qualify for funding, however county offices of education are automatically considered to be able to apply for the Financial Hardship Program; which can be for either New Construction or Modernization.

The COE must be deemed eligible for funding and will only be allocated a number of student “grants” based on factors such as: enrollment, current facility capacity, age of facility or age of last modernization (for modernization projects), and scope of project. All construction plans must be approved by all applicable agencies, and meet the criteria for eligible expenses according to the State building guides.

General Fund

General Fund monies can be used for school facilities however in many districts the demands on this budget, such as salaries and benefits for employees, this is not substantial revenue available to contribute to facilities projects. In contrast, for county offices, this may be one of the only available resources.

Deferred Maintenance Funds

The District actively uses deferred maintenance funds for ongoing repair and maintenance projects at sites. While there is not current State requirement for a restricted deferred maintenance fund or requirement for a submission of a Five-Year Deferred Maintenance Plan, the COE has made it a priority to allocate funds for the ongoing upkeep of school facilities.

Projects identified in the Deferred Maintenance plan should be considered in light of the projects identified in the Master Plan. With limited District resources, the funds allocated for projects that will be replaced in the short-term under the Master Plan should be evaluated. Conversely, systems requiring significant ongoing deferred maintenance funding should be incorporated into the Facilities Master Plan for ultimate replacement.

Tax-Exempt Leasing/Certificates of Participation

The most common financing mechanism for non-voter approved debt is tax-exempt leasing also known as Certificates of Participation ("COPs"). Another common lease financing mechanism is called a Lease-Revenue Bond. They are exempt from the voter approval requirement when structured as a contingent liability such as a lease. Essentially, the county office pledges its General Fund while intending to utilize future state funding as the repayment source. Due to uncertainties regarding the timing of State funding, the General Fund is needed to secure the loan. COPs and lease-revenue bonds can be used as a short term "bridge" financing or a long-term financing, but must have an identified repayment stream.



RECOMMENDATIONS



Apply for State funding, as available.



Review and update the COE's FMP regularly and update the document as assumptions and data change.



Continue to involve the Facilities Advisory Committee and other stakeholders to bring a full understanding of funding challenges and capital needs.



Prepared by:



Capitol | PFG

Crafting Optimal Financial Solutions

