



CALIFORNIA'S
COALITION
for ADEQUATE
SCHOOL HOUSINGSM

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The Honorable Andy Vidak
Member, California State Senate
State Capitol, Room 3082
Sacramento, CA 95814

Dear Senator Vidak:

The Coalition for Adequate School Housing (CASH) asks for your support to increase the amount of voter-approved Proposition 51 state school bonds to be sold in the 2018-19 fiscal year. The Administration's proposed State Budget includes \$640 million in State school bond sales. At this rate, kids will have to wait *five* years after a complete funding application is submitted before they see the new school or renovated classrooms their parents voted to fund.

The \$640 million proposal is absolutely inadequate for a program that has a \$3.2 billion backlog in complete applications ready for final processing and funding. In November 2016, voters approved \$7 billion in general obligation bonds for K-12 school construction and, to date, only about \$600 million has been sold to fund critical school construction and renovation projects across the state.

CASH asks the State to direct \$3.0 billion in voter-approved Proposition 51 state school bonds be sold in the 2018-19 fiscal year and \$3.0 billion in state matching funds be apportioned for projects in the 2018-19 State Budget.

Delaying needed state funding and bond sales just increases taxpayer costs. The federal government is looking at increasing interest rates and the bond market already is reflecting higher interest costs to sell bonds. In the next 16 months California could see a significant increase from four or more rate hikes by the Federal Reserve.

At the same time, construction costs are escalating by 6 to 8 percent a year, and in some regions by as much as 1 percent per month. *Delaying state school bond sales means less purchasing power* from the effect of construction cost escalation; resulting in fewer projects. Taxpayers should not have to pay more and receive less while the kids have to wait for their new schools and renovated classrooms.

For these reasons we ask the State Legislature to:

- Sell an additional \$2.36 billion in K-12 school bonds, in addition to the budget proposal's \$640 million, for a total of \$3 billion in FY 2018-19.
- Include budget language to require at least \$3.0 billion in projects be processed for State Allocation Board (SAB) apportionment in 2018-19.

Thank you for your help to provide needed school facilities for children and teachers. Attached is additional information on why State school bond sales are needed, along with information regarding projects in your district.

Sincerely,

Don Ulrich, Chair