

# Staff Frequently Asked Questions



Thank you for the questions based on the facility presentation that was provided on November 8, 2023. Below are some questions we received with the appropriate responses. It should be noted that long term planning is absolutely essential to accommodate the growth within our attendance boundaries and growth is expected to occur for many years to come. It takes several revenue streams dedicated to facilities and several years to accumulate the fiscal resources needed to obtain land and build the schools necessary to accommodate our growth.

## 1. Who pays for the general obligation bond?

General Obligation (G.O.) Bonds are voted on by the registered voters within the Romoland School District boundaries. The bonds are paid by property owners (typically homeowners) who live within the District boundaries.

## 2. What is the tax rate and would it be a recurring payment?

Property owners would be taxed at a rate of \$30 per \$100,000 of the homes assessed valuation (not market value). Assessed value is based on the original purchase price of a home and is often lower than market value, particularly for those residents that have owned their homes for a long time. This can help seniors or those on fixed incomes who have lived in their homes a long time. As an example in the Romoland School District the median home assessed valuation is \$408,000, which would result in a \$120 per year tax assessment (average of \$10/month).

The bonds issued would have a term limited to 25-40 years as required by law, although the exact duration has not yet been determined. There are many variables in determining the length of time until they are paid off: the rate of change in local assessed property value in the years to come; the interest rates and state of the bond market at the time each series of bonds is sold; and the various bond structures that we may use in order to take maximum advantage of the bond market and the construction market at the time of bond sales.

## 3. What budgets would this revenue feed into?

The money generated from a GO Bond cannot be co-mingled with any other district accounts and has its own budget. Annual audits, citizen oversight and annual reports are required for these funds.

G.O. Bond proceeds may be used to fund buildings, equipment, furnishings and technology. Items must be included in the project list when the District passes the resolution and submits it to voters. Most school bonds include a mix of “brick and mortar” capital improvements along with the equipment, furnishings and technology that go inside those buildings.

#### **4. How will it benefit me as an employee?**

As an employee the benefits are alleviating overcrowded schools and the potential negative impacts that result from it. If approved, it would help the Romoland School District purchase land and build a new school, replace aging portable classrooms, and increase identified safety measures for our campuses.

#### **5. What options are available if the bond does not pass?**

There are no good options if a bond measure does not pass and it leaves few options to accommodate our enrollment growth. The district would continue to add portable classrooms at our existing schools. The approximate cost of purchasing and installing a single portable classroom can be as high as \$350,000 and this would reduce fiscal resources needed to build a new school.

The district would also analyze attendance boundary changes, but with all of our schools near capacity and growth occurring throughout many regions of the district, it would not be a long term solution.

In a worst case scenario as schools become exceptionally large, the district could be forced to consider moving to a year-round schedule to accommodate the growth. While this would be a last resort option and not in the immediate future, it is something the district may have to consider if facility capacities do not keep pace with the enrollment growth throughout the district.

#### **6. Approximately how many homes do not have any taxes from RSD yet?**

New residential homes within all school districts, including the Romoland School District, pay either Developer fees or Community Facility District fees. The district receives a portion of these fees, but they do not come close to generating enough revenue to purchase land and build new schools.

The Romoland School District is the only school district in Riverside County without a General Obligation Bond and many have two or three in place. These revenues are essential for growing districts to build new schools and for districts with older schools to modernize their aging facilities.

## 7. Why are we taxing approximately 50 million when we are only short \$400,000 for the Monument Ranch TK-8 school?

The passage and subsequent revenue generated by the potential G.O. Bond is not intended to cover the shortfall of \$400,000 for the Monument Ranch school. We have anticipated revenues from developer fees in the next year that will cover that \$400,000 deficit.

The revenue generated from the potential GO Bond would be utilized for the purchase of land and the cost to build a new school (school #8) in the Romoland School District. There are two developers that have set aside property for us to purchase land for a new school. Total estimated cost in 2028 for an elementary school is currently 73.2 million dollars with a 5% cost escalation every year thereafter.

- School Site 1: The property behind Heritage High School where 1,700 homes are scheduled to begin being built in the fall of 2025 and a future elementary school site is planned.
- School Site 2: There is property in the Green Valley (Perris) area of the district where several developments are either active or planned for the future. The TK-8 Monument Ranch school will accommodate this growth for a period of time, but eventually, depending on the speed of development, enough growth will occur that will require an additional school site in the area.

It takes several years to receive all of the proceeds from the GO Bond and the bonds are sold at different time increments according to several factors. It also takes approximately 6-7 years to plan and build a school in California so long term planning is essential to meet our future needs.

### Example of Estimated GO Bond Revenue Timeline

February 2025- \$19,485,000

August 2028- \$19,485,000

August 2031- \$19,485,000