Perris Union High School District

Annual and Five-Year Developer Fee Report for Fiscal Year 2024/2025

November 19, 2025

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SECTION I. EXECUTIVE SUMMARY

Under Education Code 17620 *et seq.*, school districts may levy fees ("School Fees") in order to offset the impacts to school facilities from new residential and commercial development. Commencing January 1, 1987, statutory school fees were originally authorized to be levied in the amount of $1.50 per square foot of new residential assessable space and $0.25 per square foot of enclosed commercial or industrial assessable space ("Level 1 Fees") and are subject to an increase of the statutory fees based on the Statewide cost index for Class B construction, as determined by the State Allocation Board every two years. With the passage of Senate Bill 50 (the Leroy F. Greene School Facilities Act) in 1998, the State School Facility Program was established, and provides school districts with the option of adopting alternative school fees (also known as "Level II Fees" and "Level III Fees") in excess of the Level I Fee upon meeting certain requirements and are valid for a maximum of one (1) year.

In accordance with Government Code Sections 66001 and 66006, Perris Union High School District ("School District") shall, within 180 days after the last day of the fiscal year and at least 15 days prior to a public meeting of the Board of Education, make available to the public certain information on an annual and five-year basis regarding the collection and expenditure of School Fees collected under the authorization of Education Code Section 17620 *et seq* and Government Code Section 65995 *et seq.*

This information shall consist of the following for the prior fiscal year (the "Annual Report"):

- Beginning balances
- Ending balances
- Type and Amount of School Fees Collected
- Interest earned
- Identification of any inter-fund transfers or loans, if applicable
- Amounts of any refunds and/or allocations
- Identification of the projects on which School Fees were expended, including the amount of the expenditures on each project, and the percentage of the cost of the project funded by School Fees in connection with school facilities to accommodate additional students from new development if funded or partially funded with such School Fees.
- Identification of an approximate date by which the construction of the public improvement will commence if the School District determines that sufficient funds have been collected to complete financing on an incomplete public improvement.
- Identification of each public improvement in the previous report and whether construction began on the approximate date noted in the previous report, and if construction did not commence by the approximate date, any reason for the delay and a revised approximate date.

In addition, the School District must identify the following information with respect to the portion of the School Fee account and/or subaccounts remaining unexpended, whether committed or uncommitted (the "Five-Year Report"):

- Identification of the purpose to which the School Fee is to be expended

- Demonstration of a reasonable relationship between the School Fee and the purpose for which it is charged
- Identification of all anticipated sources and amounts of funding anticipated to complete financing for incomplete projects and the approximate date funding is expected to be deposited.

For the purposes of annual and five-year reporting requirements, School Fees do not include letters of credit and bond proceeds secured by payment of School Fees at a future date; revenues from developments under special mitigation agreements; or any other financing instrument used by the School District to fund school facilities construction and improvements.

The Board of Trustees will review the Annual Report and Five-Year Report (collectively the "Report") at the next regularly scheduled Board meeting, at least 15 days after the Report was made available to the public. In addition, at least 15 days prior to the meeting, the School District will post a public notice of the time and place of the meeting, including information with respect to where the Report may be reviewed, and will mail the public notice to any interested party who timely filed a written request with the School District for mailed notice of such meeting.

SECTION II. ANNUAL REPORTING REQUIREMENTS

This report contains certain information regarding the type, amount, collection and expenditure of School Fees for Fiscal Year 2024/2025 (July 1, 2024 through June 30, 2025).

A. Type and Amount of School Fees (Government Code Section 66006(A) and (B))

The School District collects both Statutory School Facilities Fees ("Level I Fees") and Alternative School Facility Fees (collectively "School Fees"). Level I Fees are collected pursuant to Sections 17620 et seq. of the Education Code and Sections 66001 and 65995 et seq. of the Government Code. School Fees are deposited into the Capital Facilities Fund, Fund 25. Level I Fees are levied on square footage of assessable space for commercial/industrial construction/reconstruction and residential construction/reconstruction (primarily residential additions).

The School Fees authorized to be imposed by the School District's Board of Trustees following adoption have been determined by location because Perris Elementary School District ("PESD") only serves elementary school students from kindergarten through 6th grade. Menifee Union School District ("MUSD"), Nuview Union School District ("NUSD") and Romoland School District ("RSD") serve both elementary school and middle school students from kindergarten through 8th grade. For collection purposes, all unmitigated construction/reconstruction in the School District was subject to School Fees in the amounts set forth in the table below.

Fee Type	Development Class	Effective Dates for Fiscal Year 2024/2025	School Fee Per Square Foot Within PESD	School Fee Per Square Foot Within MUSD, NUSD, RSD
Level I	Residential [1]	July 1, 2024- August 11, 2024	$1.92	$1.34
	Commercial [1]	July 1, 2024- August 11, 2024	$0.3120	$0.2184
	Commercial- Rental Self-Storage [1]	July 1, 2024- August 11, 2024	$0.11	$0.07
	Residential [2]	August 12, 2024 - June 30, 2025	$2.07	$1.45
	Commercial [2]	August 12, 2024 - June 30, 2025	$0.3360	$0.2352
	Commercial- Rental Self-Storage [2]	August 12, 2024 - June 30, 2025	$0.03	$0.02

[1] Adopted by the Board of Trustees on June 21, 2023 by Resolution Number No. 44:22-23, effective August 21, 2023.

[2] Adopted by the Board of Trustees on June 12, 2024 by Resolution Number No. 38:23-24, effective August 12, 2024.

B. Beginning and Ending Balance of Account, School Fees Collected, Interest Earned and Disbursements (Government Code Section 66006 (C) (D) (E), (G), and (H))

In Fiscal Year 2024/2025, School Fees were deposited and expended from Fund 25 in amounts as follows:

Item	Amount
Beginning Balance July 1, 2024	**$8,324,554.47**
Revenues:	
School Fees Collected	$3,953,275.94
Interest Earned on School Fees	264,917.63
Net Increase/Decrease in Investments	101,244.09
Other Income[1]	3,341,438.65
Reimbursements[2]	95,131.67
Revenues Subtotal	*$7,756,007.98*
Expenditures:	
Project Expenditures	($7,614,158.67)
Expenditures Subtotal	*($7,614,158.67)*
Ending Balance June 30, 2025	**$8,466,403.78**

[1] Represents transfers from Romoland School District Community Facilities District No. 91-1 and School District CFD No. 91-1 and 92-1 Special Tax revenues. A portion of the funds were used toward project costs at Heritage High School (Aquatic Project and Track).

[2] Represents prior year expenditure refunds.

C. Improvements on Which School Fees Were Expended

Government Code Section 66006 (b) (1) (E) requires an identification of public improvements upon which School Fees were expended, along with the amounts and percentage of total project expenditures that were funded by School Fees. Project costs are itemized below:

Project	Amount of Project Total Funded	Percentage of Project Funded by School Fees
Administrative Salaries & Benefits in connection with the collection of School Fees (Ed. Code 17620(a)(5)) and Facilities Project Planning	$275,404.84	100%
Professional, Legal and Consulting Services	196,689.11	100%
Liberty High School – Portable Classroom Project	3,501,427.36	100%
Paloma Valley High School - New MPR & Admin Alterations	3,417,899.64	100%
Heritage High School - Pool Project	20,888.21	100%
Perris Lake High School - Shade Structure Project	1,204.86	100%
Heritage High School - Track Replacement	200,644.65	100%
Total	**$7,614,158.67**	**NA**

D. Anticipated Dates of Commencement for Sufficiently Funded and Incomplete Public Improvement Projects

Should the School District determine that sufficient funds are available to complete an incomplete public improvement project, pursuant to Government Code 66006 (b) (1) (F), the School District must identify an approximate date by which construction of the public improvement will commence. In addition, the School District must indicate whether construction began by the approximate date on each public improvement project identified in the previous report, and for any such public improvement project for which construction did not commence by the approximate date, any reason for delay and a revised approximate date.

The School District has determined that for Fiscal Year 2024/2025, School Fees and other sources of funding were insufficient to complete the financing of any Project. There were no incomplete public improvement projects identified in the previous report[1], therefore there were no changes or delays in the commencement dates.

E. Interfund Transfers or Loans

Government Code Section 66006 (b) (1) (G) requires the description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.

No interfund transfers were made during the reporting period.

[1] Combined Annual and Five-Year Developed Fee Report, dated October 23, 2024 and adopted by the Board of Trustees of the School District on November 20, 2024.

The following table summarizes the reportable interfund loan(s) showing the description of the projects for which the interfund loan was used, the fund(s) to which School Fees were loaned, the loan amount, date on which the loan will be repaid and rate of interest:

Project	Fund	Loan Amount	Date Repaid	Interest Rate
Admin Salaries & Benefits 08/09	Fund 03	$99,770	TBD	2.38%
Admin Salaries & Benefits 09/10	Fund 03	$12,971	TBD	1.39%
Admin Salaries & Benefits 10/11	Fund 03	$15,083	TBD	2.78%
Facilities Accounting Consulting	Fund 03	$17,000	TBD	1.39%
Admin Salaries & Benefits 11/12	Fund 03	$39,391	TBD	1.88%
Admin Salaries & Benefits 12/13	Fund 03	$35,903	TBD	1.38%
Admin Salaries & Benefits 14/15	Fund 03	$76,638	TBD	1.46%
Admin Salaries & Benefits 16/17	Fund 03	$183,856	TBD	3.24%
Admin Salaries & Benefits 17/18	Fund 03	$118,180	TBD	1.45%
Admin Salaries & Benefits 20/21	Fund 03	$77,833	TBD	1.66%
Admin Salaries & Benefits 21/22	Fund 03	$90,945	TBD	1.82%
Admin Salaries & Benefits 22/23	Fund 03	$141,869	TBD	1.39%
Admin Salaries & Benefits 23/24	Fund 03	$172,563	TBD	2.14%
Admin Salaries & Benefits 24/25	Fund 03	$156,807	TBD	2.16%

F. Refunds or Allocations of School Fees

Government Code Section 66001(e) stipulates that the School District is required to refund unexpended portions of fees and interest accrued to property owners, should the School District determine that sufficient funds have become available to complete any incomplete projects (as described under Government Code 66006(b)(1)(F)) but not identify an approximate date by which construction of the public improvements will commence within 180 days, subject to exceptions described under Government Code 66001(f). If refunds were issued, the number of refunds and amount of refunds must be identified.

No such refunds were issued in FY 2024/2025.

Government Code Section 66006(b)(1)(H) requires the School District to provide a description of the amount of any allocations made pursuant to Government Code section 66001(f).

No such allocations were made in FY 2024/2025.

SECTION III. FIVE-YEAR REPORTING REQUIREMENTS

Government Code Section 66001 requires the following information to be provided with respect to unexpended funds in the account.

A. Purpose to Which the School Fee is to be Expended

The purpose of the School Fees collected on new residential and commercial/industrial development is to fund construction and reconstruction (including permissible refurbishment and rehabilitation) of school facilities required to serve students generated by new development within the School District. This includes, without limitation, use of School Fees, as necessary, to provide interim housing for children generated by new development, to provide interim and/or temporary school facilities in order house students during construction or reconstruction/refurbishment of school facilities, and for other school-related considerations relating to the School District's ability to accommodate enrollment generated from new development and costs attributable to the increased demand for school facilities reasonably related to new development, including, without limitation, administrative costs in connection with the collection of fees, and legal fees and other costs connected with the establishment of the fee and the required reporting. Likewise, School Fees will also be used for other indirect and support services related to construction and reconstruction of school facilities necessary as a result of development. For additional information on specific projects for which School Fees are anticipated to be expended, please refer to the table found in Section III. C of this Report.

B. Reasonable Relationship Between the School Fee and the Purpose for Which It Is Charged

There is a roughly proportional, and reasonable relationship between the new residential, commercial and industrial development upon which School Fees are charged and the need for additional school facilities by reason of the fact that additional students will be generated by new development within the School District and the School District does not have student capacity in its existing school facilities to accommodate these new students. The School Fees charged on new development will be used to fund school facilities needed to serve the students generated from new development. Additionally, the School Fees do not exceed the cost of providing school facilities for the new students generated from new development.

The studies listed below demonstrate these findings and provide justification for School Fees imposed by the School District over the previous five (5) fiscal years:

Study Type & Level of Developer Fee	Date Adopted	Effective Dates for Fiscal Years 2020/2021 through 2024/2025
Fee Justification Study – Level I	12/12/2018	02/11/2019 – 12/20/2020
School Facilities Needs Analysis – Level II & III	12/11/2019	12/12/2019 – 12/11/2020
Fee Justification Study – Level I	10/21/2020	12/21/2020 – 08/20/2023
Fee Justification Study – Level I	6/21/2023	08/21/2023 – 08/11/2024
Fee Justification Study – Level I	6/12/2024	08/12/2024 – 06/30/2025

C. Identification of All Sources and Amounts of Funding Anticipated to Complete Financing for Incomplete Projects

The following table provides the information required by Government Code Section 66001(d)(1) (C) and (D). The information is reported as of the date of this report and is subject to change.

Project Name	Source of Funding	Expected Deposit Date	Anticipated Funding Amount	Total Estimated Project Costs
Paloma Valley High School (Multi-purpose room/Administration Building Improvements)	Developer Fees[1]	On hand	$5,389,604.00	
	Fund 21-Local Bonds[2]	On Hand	42,270,312.00	
	LCAP	On Hand	1,011,423.00	
	Community Facilities District 92-1	As Available	9,567,148.00	
Subtotal			**$58,238,487.00**	**$58,238,487.00**
High School No. 5 (Land Acquisition)	Developer Fees[1]	On Hand	$3,076,799.78	
	Developer Fees	As Available	26,923,200.22	
Subtotal			**$30,000,000.00**	**$30,000,000.00**
High School No. 5 (Construction)	Developer Fees	As Available	$10,000,000.00	
	Fund 21-Local Bonds[2]	As Available	140,000,000.00	
	State Funding[4]	To be determined	60,000,000.00	
	Other Sources[3]	As Available	25,000,000.00	
Subtotal			**$235,000,000.00**	**$235,000,000.00**

Total	**$323,238,487.00**	**$323,238,487.00**

1 Based on Fund 25 balance available as of June 30, 2025.

2 Based on budgeted Measure T funds.

3 Other sources include funding anticipated from contributions from Community Facilities District contributions, and future Developer Fee collections.

4 An application for new construction funding has not been submitted to the State.