CUSD BOARD OF TRUSTEES CONTINUES COMMITMENT TO REDUCE TAX BURDENS, INCREASES TRANSPARENCY AND ACCOUNTABILITY

Series of unanimous votes to eliminate the use of “pay-as-you-go” special taxes.
In the last four years the District has reduced taxes for Community Facilities Districts (CFD) by 46 percent, or $15.5 million a year.
Board votes to establish CFD Citizen’s Oversight and Advisory Commission that will provide advice and oversight to the Board of Trustees.

SAN JUAN CAPISTRANO, CA – In a series of unanimous votes, the Capistrano Unified Board of Trustees approved resolutions to eliminate the use of “pay-as-you-go” special tax revenue, further reducing the tax burden on District residents who reside within Community Facilities Districts.

The District currently has ten active community facilities districts formed pursuant to the Mello-Roos Community Facilities Act of 1982 between the years of 1987 and 2016 to fund and finance the District’s capital facility needs. Each community facility district collects special taxes on property within its boundaries to pay for costs such as debt service and other amounts due on outstanding CFD bonds, CFD administration, and facilities needs on a “pay-as-you-go” basis in accordance with the provisions of the Mello-Roos Community Facilities Act of 1982.

“Last night’s votes further the Board’s commitment to reducing taxes and moving away from the use of CFDs to a more generalized funding model,” stated CUSD Board President Amy Hanacek. “We are committed to being good shepherds of taxpayer dollars while, at the same time, ensuring that we can continue to invest in our students and their school classrooms and facilities.”

The Board action last night comes a week after the Board of Trustees reviewed an update on financing plans for CFDs. Prior to the update, Superintendent Kirsten Vital stated, “A concerted effort has been made by this board and this district to lower taxes and what you will see tonight is over the last four years this district has reduced taxes for CFDs by 46 percent, which is $15.5 million dollars a year in savings. In addition, this strategy to reduce mello-roos pay-go money was to support an effort to do a district-wide, voter approved measure for funding school facilities. This work was intentional – moving towards a voter approved measure and away from pay-go monies.”

On August 10, 2016, after the update on CFD refinancing and taxpayer savings, the Board voted 6-1 to place a School Facility Improvement District (SFID) bond measure before voters on the November 8,
2016 ballot that removes from the voting area the community of Rancho Mission Viejo, the newest community in CUSD that will not have a school until the Fall of 2018.

If approved by the voters, the measure would provide up to $889 million to fund critical repairs and upgrades, upgrade classroom technology infrastructure and create classrooms that support 21st Century learning. The bond would be paid by property taxes estimated to not exceed $43 per each $100,000 of assessed valuation (not market value) of property for the life of the bond program. Each bond issuance is anticipated to be 25 years, and bonds are planned to be issued over a ten year period.

The funding will also help ensure CUSD remains one of the top school districts in California with state of the art innovations through upgraded classrooms, science labs and vocational training rooms that improve student learning and achievement. These investments will allow the District to continue providing students with the career and technical knowledge to compete for tomorrow’s high-paying jobs.

If approved, the bond measure could put this District in line to receive up to $229 million in state matching funds, pending approval of the statewide facilities bond (Proposition 51) in November.

All money generated from the bond measure will be spent only on repairs, upgrades, and improving classroom technology infrastructure. No money from this measure will go to any employee salary or benefit including teacher or administration pensions, as legally required.

The bond also includes accountability measures that go beyond what is required. In addition to the Independent Citizens’ Oversight Committee, we are also forming a School Facilities and Finance Advisory Committee and School Family Regional Committees to provide input, advice and recommendations on school facilities and finance.

Layers of Oversight and Accountability

In addition to the committees mentioned above, the District has taken additional steps to further enhance transparency and accountability including:

1. Separate, independent CFD audits
2. CFD Audit Reports, CFD Administration Reports and CFD Fiscal Status Reports posted in the District website
4. In process with development of CFD Project Expenditure Reports that will go back to 1987 at the inception of our first CFD

Community Engagement

The District remains committed to engaging students, parents, community members and employees in
District-wide and community-specific decisions. To apply for the School Facilities and Finance Administrative Advisory Committee, please see this link:
https://capousd-ca.schoolloop.com/financecom