



POWAY UNIFIED SCHOOL DISTRICT  
**ANNUAL DEVELOPER FEE REPORT**  
FOR FISCAL YEAR 2018/2019

NOVEMBER 14, 2019

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## **I. EXECUTIVE SUMMARY**

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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 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, Poway Unified School District (“School District”) must provide 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.* 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 School District last published a report covering five-year reporting requirements (as defined under Government Code Section 66001(d)(1)) after the end of Fiscal Year (“FY”) 2014/2015, and will not be required to publish relevant reporting until 180 days after the end of FY 2019/2020. Hence, the following information addresses only annual reporting requirements specified by Government Code Sections 66001 and 66006.

## II. ANNUAL REPORTING REQUIREMENTS

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This report contains certain information regarding the type, amount, collection and expenditure of School Fees for Fiscal Year (“FY”) 2018/2019.

### A. TYPE AND AMOUNT OF FEE

School Fees are deposited into the Capital Facilities Fund, Fund 25, which is used primarily to account separately for monies received from fees levied upon development projects as a condition of approval. The School District collected Level I Fees on residential and commercial development in FY 2018/2019, which are collected pursuant to Sections 17620 et seq. of the Education Code and Sections 66001 and 65995 et seq. of the Government Code. Level I Fees are levied per square footage of assessable space for commercial/industrial construction/reconstruction and residential construction/reconstruction (primarily residential additions). Additionally, pursuant to Sections 65995.5, 65995.6, and 65995.7 of the Government Code, the School District met requirements to levy Level II Fees. In FY 2018/2019, assessable space from residential construction/reconstruction was subject to the collection of Level II Fees.

In the absence of independent agreements to otherwise mitigate the impact of nonresidential/residential development, excluding residential additions with an assessable area under 500 feet, all construction and 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	SCHOOL FEE PER SQUARE FOOT
Level I	Residential	July 1, 2018 – August 26, 2018	\$3.48
		August 27, 2019 – June 30, 2019	\$3.79
	Commercial	July 1, 2018 – August 26, 2018	\$0.56
		August 27, 2019 – June 30, 2019	\$0.61
Level II	Residential	July 1, 2018 – September 13, 2018	\$3.93
		September 14, 2018 – June 30, 2019	\$3.90

**B. BEGINNING AND ENDING BALANCE OF ACCOUNT, SCHOOL FEES COLLECTED, INTEREST EARNED AND DISBURSEMENTS (GOVERNMENT CODE SECTION 66006(B) (C) AND (D))**

In FY 2018/2019, School Fees were deposited and expended from Fund 25 in amounts as follows:

ITEM	AMOUNT
<b>BEGINNING BALANCE JULY 1, 2018</b>	<b>\$3,054,510.60</b>
<i>School Fees Collected:</i>	
Level I Fees	\$1,454,848.04
Level II Fees	\$31,330.30
<i>Interest Earned:</i>	
Level I Fees	\$73,702.18
Level II Fees	\$867.71
<i>Revenues Subtotal:</i>	<i>\$1,560,748.23</i>
Project Expenditures	(\$183,753.25)
<i>Expenditures Subtotal:</i>	<i>(\$183,753.25)</i>
<b>ENDING BALANCE JUNE 30, 2019</b>	<b>\$4,431,505.58</b>

**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, as well as internal and external costs associated with State School Facility Program administration are itemized below:

PROJECT	AMOUNT OF PROJECT TOTAL FUNDED	PERCENTAGE OF PROJECT TOTAL FUNDED
Relocatable Classroom Rental (Stone Ranch Elementary School, Creekside Elementary School, and Sunset Hills Elementary School)	\$109,322.54	100.0%
Support Costs	\$43,645.44	100.0%
Salaries and Benefits	\$16,571.85	100.0%
Professional, Legal and Consulting Services	\$13,983.32	100.0%
Advertising	\$230.10	100.0%

**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. Ongoing public improvement expenditures that have received sufficient funding are detailed below.

PROJECT	ANNUAL BUDGETED COST	ANTICIPATED DATE OF COMMENCEMENT
Relocatable Classroom Rental (Shoal Creek Elementary School)	\$8,412.24	Ongoing – as needed
Relocatable Classroom Rental (Creekside Elementary School)	\$15,552.00	Ongoing – as needed
Relocatable Classroom Rental (Sunset Hills Elementary School)	\$4,680.00	Ongoing – as needed

**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 loans or transfers were made during the reporting period.

**F. REFUNDS 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). However, no such refunds were issued in the 2018/2019 fiscal year.