
IUSD TECHNOLOGY BOND FINANCING OPTIONS

January 2014



Irvine Unified School District

Information Technology Department

AGENDA

Agenda	
1	Technology Plan Review
2	Projection of Needs
3	Bond Options



TECHNOLOGY PLAN

- Three Year Plan (2013-2016) approved by Board of Education December 2013.
- *Focuses* technology efforts on student outcomes.
- Provides *access* to potential State and Federal funding for technology.
- First steps toward *purposeful, ubiquitous* use of technology.



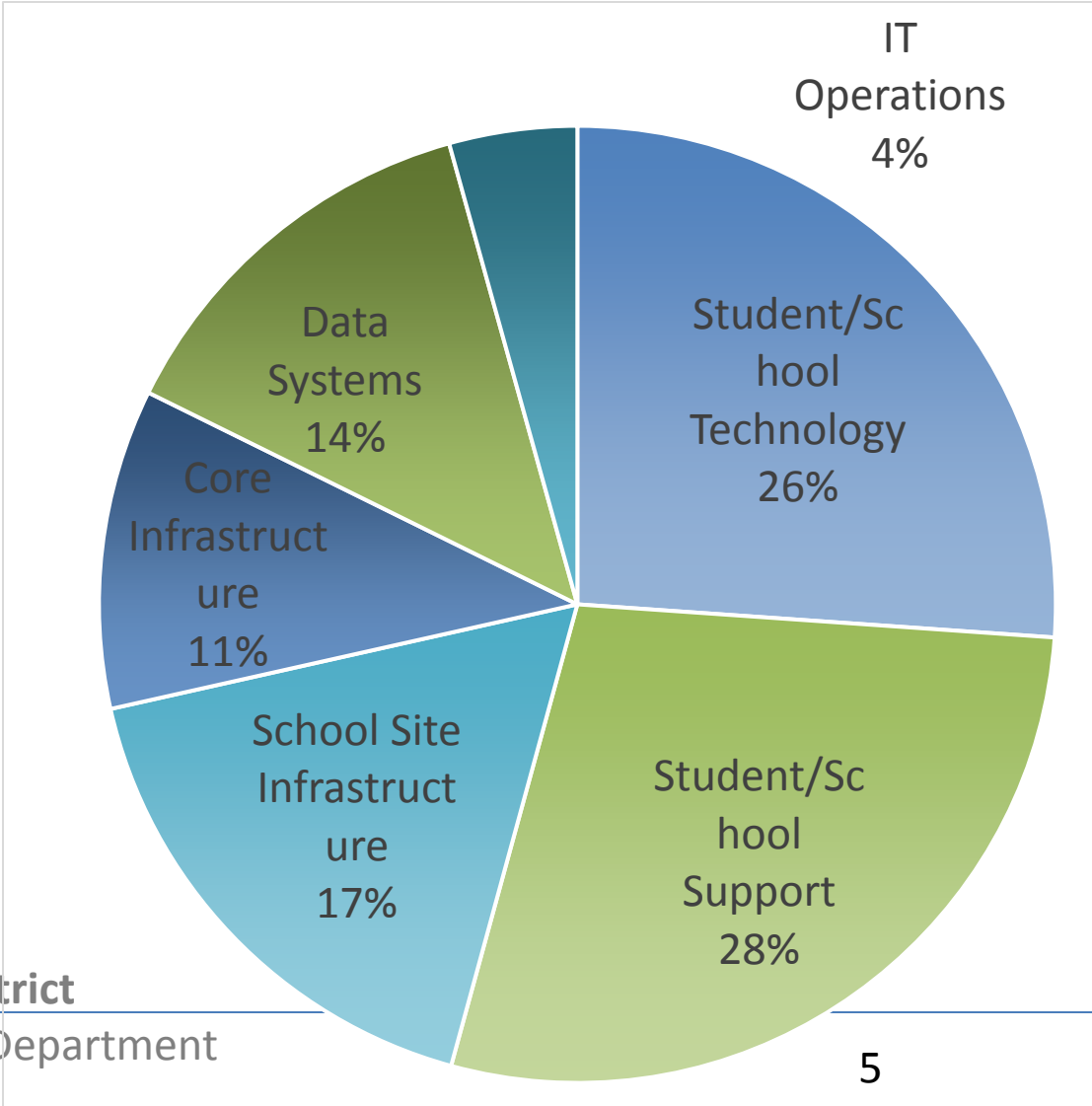
TECHNOLOGY NEED

- Current Spending: \$5 -\$6 Million per Year (\$165/Student)
- Outdated, failing technology infrastructure
- Limited access to technology devices and wireless
- Reliance on donations and one-time funding to sustain programs (Common Core, Sale of Property)
- **Ongoing, Unmet Need of \$10-12 Million Per Year**



TECHNOLOGY PLAN NEEDS (2013-2016)

2013-16 Costs
\$ 37.8 M Total Need
\$18.7 M Funded
\$19.1 M Not Yet Funded



TECHNOLOGY BOND GOALS

- Address significant, immediate infrastructure needs
- Provide sustainable funding to meet one-time and ongoing technology needs.



PROJECTING NEEDS BEYOND THE PLAN

- Projected 15 Years of Costs to **Fully Implement** and **Sustain** the Technology Plan
- Incorporated estimates for projects beyond the initial three-years of the Technology Plan, and anticipated refresh cycles and District Growth.
- Determined eligibility of projected costs for Bond Funding.



TOTAL NEED

Description	10-Year Projection	15-Year Projection
Total Need	\$168.8 M	\$257.3 M
Maintained Spending (With 1% Annual Increase)	\$62.7 M	\$96.6 M
Bond Eligible Projects	\$69.2 M	\$101.2 M
Remaining Gap	\$36.9 M	\$59.5 M





Irvine Unified School District

Technology Bond Analysis

January 14, 2014

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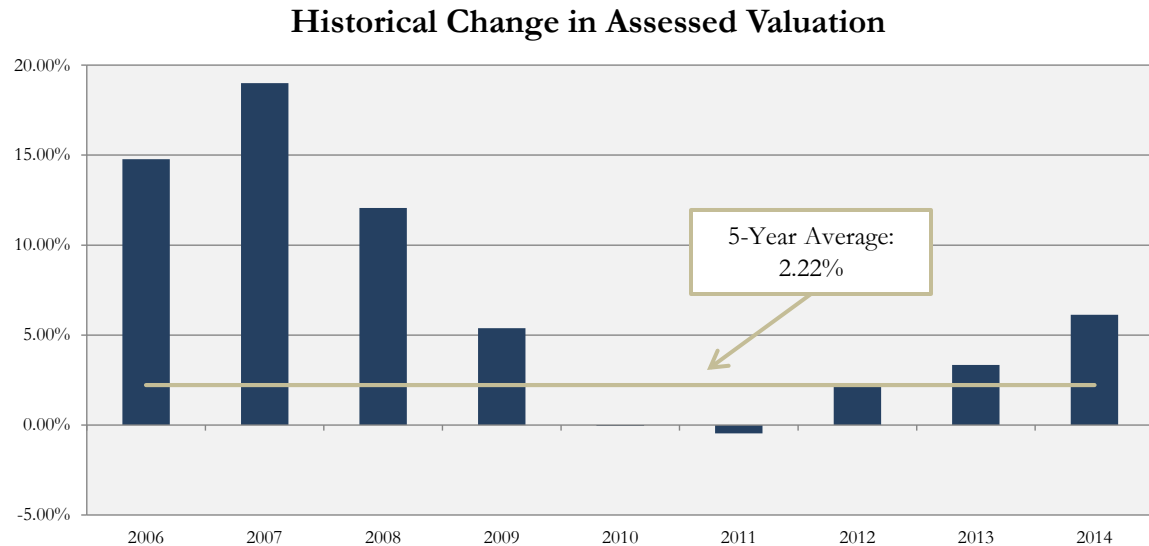
Section 1	Historical Assessed Valuation
Section 2	SFID Calculations
Section 3	Analysis with Different Tax Rates and Terms

Section 1

Historical Assessed Valuation

Historical Assessed Valuation

FY Ending	Total Assessed Valuation ⁽¹⁾	% Change
2005	\$21,735,221,551	-
2006	\$24,945,799,586	14.77%
2007	\$29,685,145,799	19.00%
2008	\$33,264,930,824	12.06%
2009	\$35,055,759,151	5.38%
2010	\$35,037,287,346	-0.05%
2011	\$34,873,409,942	-0.47%
2012	\$35,622,966,656	2.15%
2013	\$36,811,119,332	3.34%
2014 ⁽²⁾	\$39,066,337,230	6.13%
5-Year Average		2.22%



⁽¹⁾ Total A.V. before Redevelopment Increment

⁽²⁾ FY 2013-14 Preliminary AV

FY Ending	Total Assessed Valuation ⁽²⁾	Bonding Factor	Bonding Capacity
2014	\$39,066,337,230	2.50%	\$976,658,431

Section 2

SFID Calculations

Proposition 39 General Obligation Bonds Elections

- Bonding Capacity
 - Unified School Districts: Maximum of 2.50% of Assessed Value (For all bonds issued by the School District)
- Tax Rate limitations
 - Unified School Districts: Maximum of \$60 per \$100,000 per voter-authorized GO Bond Program
- Requires voter approval
 - 55% approval required for full district
- School Facilities Improvement District (“SFID”)
 - Portion of a school district is taxed through a GO Bond that addresses needs of specific communities within a district’s boundaries
 - 55% approval is required; adheres to same accountability provisions as Prop 39
- Before election
 - At least 88 days before elections
 - *Projects to be financed must be stated*
 - *School Board must declare resolution for election*
 - *Tax rate must be estimated and bond amount named*
- After election
 - Citizen’s Oversight Committee appointed
 - Annual audits required
- Allowable Use of proceeds
 - Construction; reconstruction; rehabilitation; or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities

Total Assessed Value for School Facility Improvement District (“SFID”)

Fiscal Year 2013-14

Irvine Unified School District

(CFD Nos. 08-1, 09-1 and Commercial Property excluded)

Secured Assessed Value	\$36,788,337,230
Unsecured Assessed Value ⁽¹⁾	2,278,000,000
Total Assessed Value	\$39,066,337,230

Total Assessed Value	\$39,066,337,230
Less: Unsecured Assessed Value ⁽²⁾	2,278,000,000
Less: Secured Commercial Assessed Value	8,444,025,272
Less: CFD No. 09-1 Assessed Value	1,863,075,841
Less: CFD No. 08-1 Assessed Value	128,797,428
Total Assessed Value for SFID	\$26,352,438,689

⁽¹⁾ Rounded (000,000)

⁽²⁾ Preliminary data suggests a large portion is commercial.

Section 3

Analysis with Different Tax Rates and Terms

Total Financing Scenarios

SFID Technology Bond Analysis ⁽¹⁾

Tax Rate (per \$100,000 of AV)	Years of Annual Tech Bonds ⁽²⁾	Dated Date First Issuance	Final Maturity	Repayment of Series 2014A Tech Bond ⁽³⁾
\$19	10	8/1/14	8/1/2024	2014-2024
\$19	15	8/1/14	8/1/2029	2014-2029
\$24	10	8/1/14	8/1/2024	2014-2024
\$24	15	8/1/14	8/1/2029	2014-2029
\$29	10	8/1/14	8/1/2024	2014-2024
\$29	15	8/1/14	8/1/2029	2014-2029

⁽¹⁾ Assumes FY 13-14 SFID Assessed Value of \$26,352,438,689 increasing by 5% in FY 14-15 and every year thereafter.

⁽²⁾ Assumes Tech Bonds issued every year in August and maturing the next occurring August.

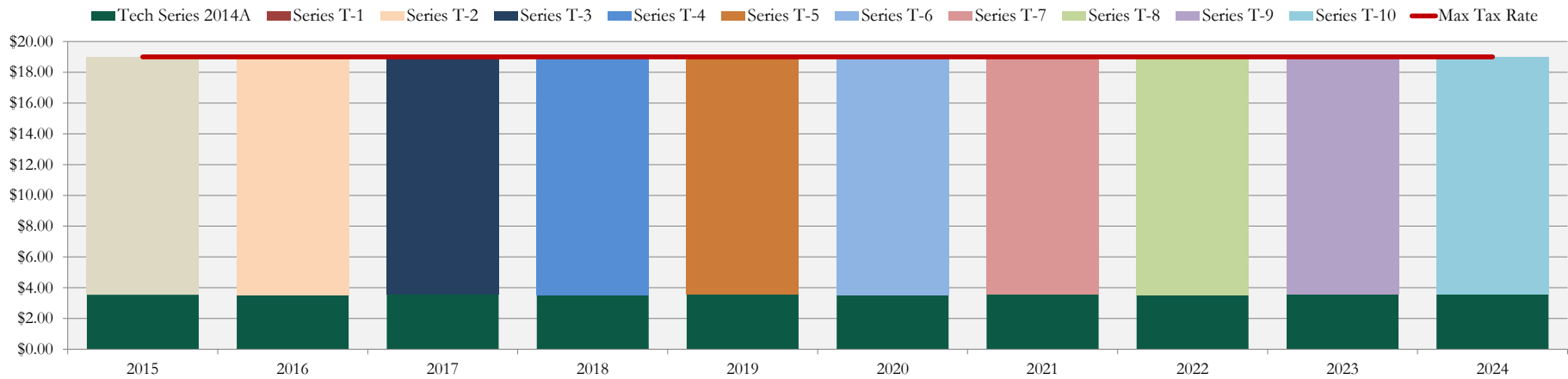
⁽³⁾ Series 2014A issued separately from annual issuances, to be repaid over the number of years of annual tech bonds.

Potential 2014 GO Bond Election

\$19 Tax Rate and 10-year Annual Tech Bonds⁽¹⁾⁽³⁾

- Issue \$10 million Tech Bond in 2014 to be repaid over ten years
 - *Issue renewable tech bonds each year with available tax rate capacity*

Estimated Tax Rates⁽²⁾



	Series 2014A	Series T-1	Series T-2	Series T-3	Series T-4	Series T-5	Series T-6	Series T-7	Series T-8	Series T-9	Series T-10	Total
Dated Date	08/01/14	08/01/14	08/01/15	08/01/16	08/01/17	08/01/18	08/01/19	08/01/20	08/01/21	08/01/22	08/01/23	-
Par Amount	\$10,325,000	\$4,230,000	\$4,445,000	\$4,660,000	\$4,900,000	\$5,140,000	\$5,400,000	\$5,670,000	\$5,955,000	\$6,245,000	\$6,560,000	\$63,530,000
Project Amount	\$10,000,000	\$4,069,425	\$4,283,888	\$4,498,350	\$4,737,750	\$4,977,150	\$5,236,500	\$5,505,825	\$5,790,113	\$6,079,388	\$6,393,600	\$61,571,988
Final Maturity Date	08/01/24	08/01/15	08/01/16	08/01/17	08/01/18	08/01/19	08/01/20	08/01/21	08/01/22	08/01/23	08/01/24	08/01/24

⁽¹⁾Assumes MMD 'AA' 10-year average scale

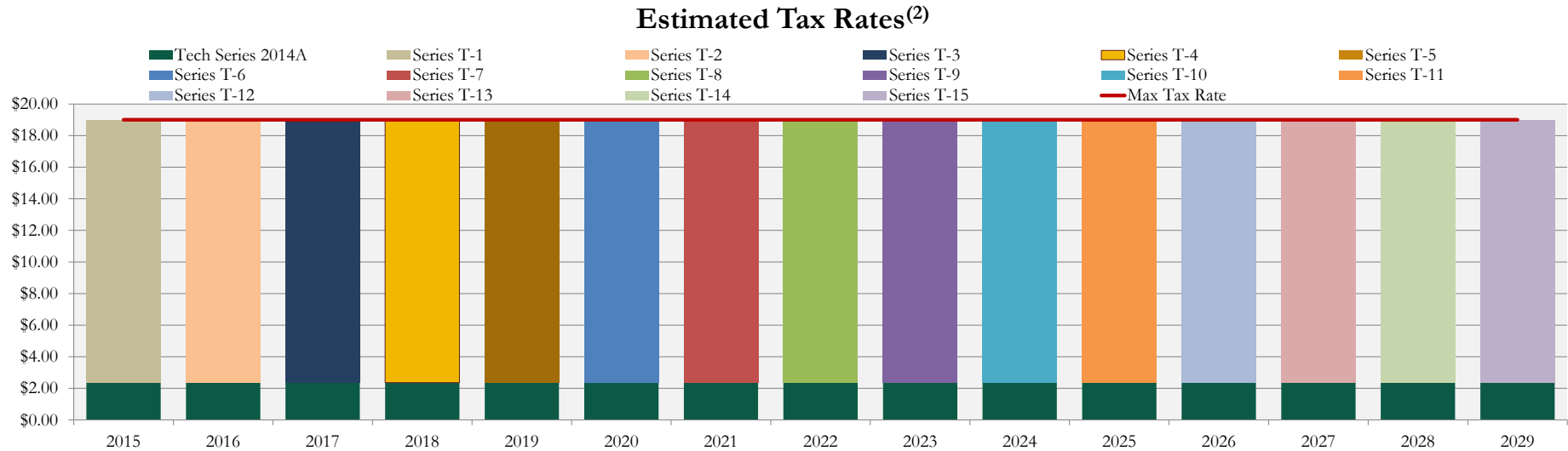
⁽²⁾Assumes 5% growth in AV in FY 14-15 and every year thereafter.

⁽³⁾Assumes Costs of Issuance of \$150,000 and Underwriter's Discount of \$2.50/Bond and a 1% fixed rate for each tech series.

Potential 2014 GO Bond Election

\$19 Tax Rate and 15-year Annual Tech Bonds⁽¹⁾⁽³⁾

- Issue \$10 million Tech Bond in 2014 to be repaid over fifteen years
 - *Issue renewable tech bonds each year with available tax rate capacity*



	Series 2014A	Series T-1	Series T-2	Series T-3	Series T-4	Series T-5	Series T-6	Series T-7	Series T-8	Series T-9	Series T-10	Series T-11	Series T-12	Series T-13	Series T-14	Series T-15	Total
Dated Date	08/01/14	08/01/14	08/01/15	08/01/16	08/01/17	08/01/18	08/01/19	08/01/20	08/01/21	08/01/22	08/01/23	08/01/24	08/01/25	08/01/26	08/01/27	08/01/28	-
Par Amount	\$10,325,000	\$4,560,000	\$4,785,000	\$5,025,000	\$5,275,000	\$5,540,000	\$5,815,000	\$6,110,000	\$6,410,000	\$6,735,000	\$7,070,000	\$7,420,000	\$7,795,000	\$8,185,000	\$8,595,000	\$9,025,000	\$108,670,000
Project Amount	\$10,000,000	\$4,398,600	\$4,623,038	\$4,862,438	\$5,111,813	\$5,376,150	\$5,650,463	\$5,944,725	\$6,243,975	\$6,568,163	\$6,902,325	\$7,251,450	\$7,625,513	\$8,014,538	\$8,423,513	\$8,852,438	\$105,849,138
Final Maturity	08/01/29	08/01/15	08/01/16	08/01/17	08/01/18	08/01/19	08/01/20	08/01/21	08/01/22	08/01/23	08/01/24	08/01/25	08/01/26	08/01/27	08/01/28	08/01/29	08/01/29

⁽¹⁾Assumes MMD 'AA' 10-year average scale

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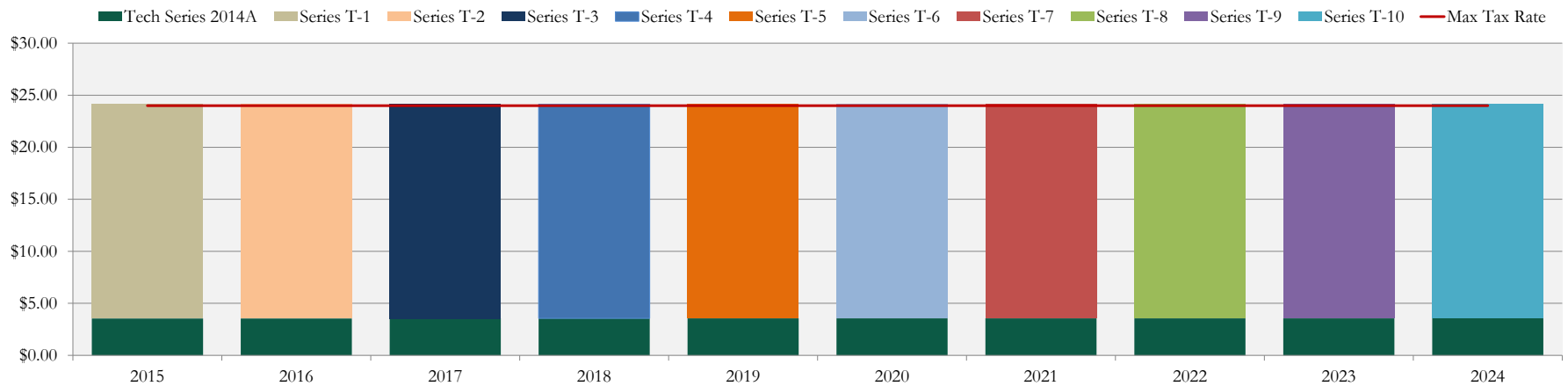
⁽³⁾Assumes Costs of Issuance of \$150,000 and Underwriter's Discount of \$2.50/Bond and a 1% fixed rate for each tech series.

Potential 2014 GO Bond Election

\$24 Tax Rate and 10-year Annual Tech Bonds⁽¹⁾⁽³⁾

- Issue \$10 million Tech Bond in 2014 to be repaid over ten years
 - *Issue renewable tech bonds each year with available tax rate capacity*

Estimated Tax Rates⁽²⁾



	Series 2014A	Series T-1	Series T-2	Series T-3	Series T-4	Series T-5	Series T-6	Series T-7	Series T-8	Series T-9	Series T-10	Total
Dated Date	08/01/14	08/01/14	08/01/15	08/01/16	08/01/17	08/01/18	08/01/19	08/01/20	08/01/21	08/01/22	08/01/23	-
Par Amount	\$10,325,000	\$5,600,000	\$5,880,000	\$6,175,000	\$6,485,000	\$6,805,000	\$7,150,000	\$7,505,000	\$7,880,000	\$8,270,000	\$8,685,000	\$80,760,000
Project Amount	\$10,000,000	\$5,436,000	\$5,715,300	\$6,009,563	\$6,318,788	\$6,637,988	\$6,982,125	\$7,336,238	\$7,710,300	\$8,099,325	\$8,513,288	\$78,758,913
Final Maturity Date	08/01/24	08/01/15	08/01/16	08/01/17	08/01/18	08/01/19	08/01/20	08/01/21	08/01/22	08/01/23	08/01/24	08/01/24

⁽¹⁾Assumes MMD 'AA' 10-year average scale

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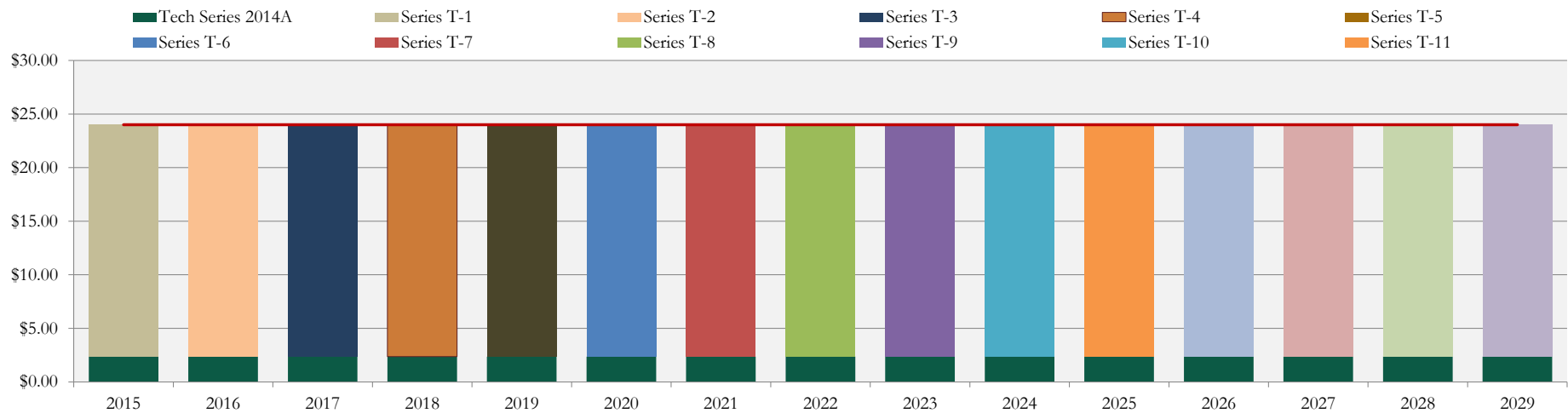
⁽³⁾Assumes Costs of Issuance of \$150,000 and Underwriter's Discount of \$2.50/Bond and a 1% fixed rate for each tech series.

Potential 2014 GO Bond Election

\$24 Tax Rate and 15-year Annual Tech Bonds⁽¹⁾⁽³⁾

- Issue \$10 million Tech Bond in 2014 to be repaid over fifteen years
 - *Issue renewable tech bonds each year with available tax rate capacity*

Estimated Tax Rates⁽²⁾



	Series 2014A	Series T-1	Series T-2	Series T-3	Series T-4	Series T-5	Series T-6	Series T-7	Series T-8	Series T-9	Series T-10	Series T-11	Series T-12	Series T-13	Series T-14	Series T-15	Total
Dated Date	08/01/14	08/01/14	08/01/15	08/01/16	08/01/17	08/01/18	08/01/19	08/01/20	08/01/21	08/01/22	08/01/23	08/01/24	08/01/25	08/01/26	08/01/27	08/01/28	-
Par Amount	\$10,325,000	\$5,930,000	\$6,220,000	\$6,535,000	\$6,860,000	\$7,205,000	\$7,565,000	\$7,945,000	\$8,340,000	\$8,760,000	\$9,195,000	\$9,655,000	\$10,135,000	\$10,645,000	\$11,175,000	\$11,740,000	\$138,230,000
Project Amount	\$10,000,000	\$5,765,175	\$6,054,450	\$6,368,663	\$6,692,850	\$7,036,988	\$7,396,088	\$7,775,138	\$8,169,150	\$8,588,100	\$9,022,013	\$9,480,863	\$9,959,663	\$10,468,388	\$10,997,063	\$11,560,650	\$135,335,238
Final Maturity	08/01/29	08/01/15	08/01/16	08/01/17	08/01/18	08/01/19	08/01/20	08/01/21	08/01/22	08/01/23	08/01/24	08/01/25	08/01/26	08/01/27	08/01/28	08/01/29	08/01/29

⁽¹⁾Assumes MMD 'AA' 10-year average scale

⁽²⁾Assumes 5% growth in AV in FY 14-15 and every year thereafter.

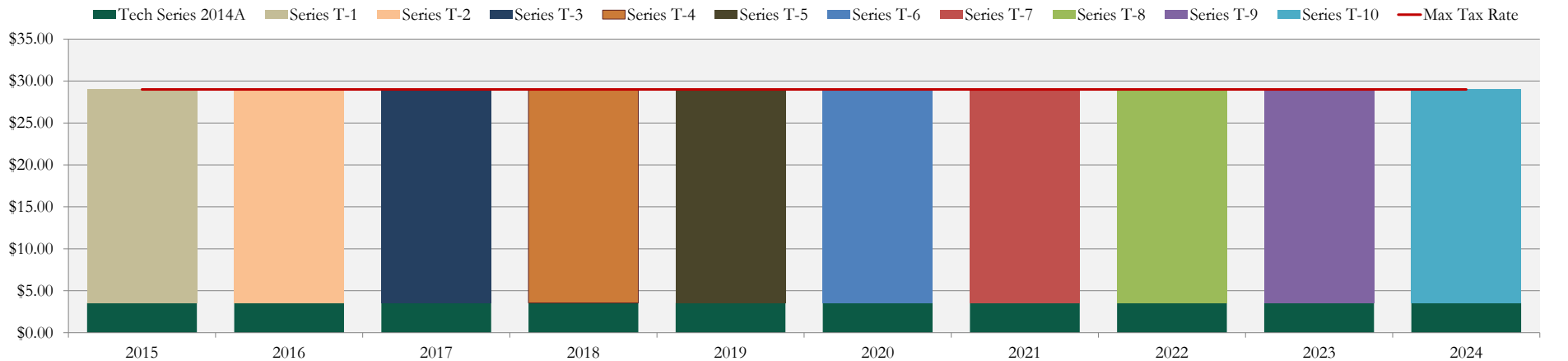
⁽³⁾Assumes Costs of Issuance of \$150,000 and Underwriter's Discount of \$2.50/Bond and a 1% fixed rate for each tech series.

Potential 2014 GO Bond Election

\$29 Tax Rate and 10-year Annual Tech Bonds⁽¹⁾⁽³⁾

- Issue \$10 million Tech Bond in 2014 to be repaid over ten years
 - *Issue renewable tech bonds each year with available tax rate capacity*

Estimated Tax Rates⁽²⁾



	Series 2014A	Series T-1	Series T-2	Series T-3	Series T-4	Series T-5	Series T-6	Series T-7	Series T-8	Series T-9	Series T-10	Total
Dated Date	08/01/14	08/01/14	08/01/15	08/01/16	08/01/17	08/01/18	08/01/19	08/01/20	08/01/21	08/01/22	08/01/23	-
Par Amount	\$10,325,000	\$6,970,000	\$7,320,000	\$7,685,000	\$8,070,000	\$8,470,000	\$8,895,000	\$9,340,000	\$9,810,000	\$10,295,000	\$10,810,000	\$97,990,000
Project Amount	\$10,000,000	\$6,802,575	\$7,151,700	\$7,515,788	\$7,899,825	\$8,298,825	\$8,722,763	\$9,166,650	\$9,635,475	\$10,119,263	\$10,632,975	\$95,945,838
Final Maturity	08/01/24	08/01/15	08/01/16	08/01/17	08/01/18	08/01/19	08/01/20	08/01/21	08/01/22	08/01/23	08/01/24	08/01/24

⁽¹⁾Assumes MMD 'AA' 10-year average scale

⁽²⁾Assumes 5% growth in AV in FY 14-15 and every year thereafter.

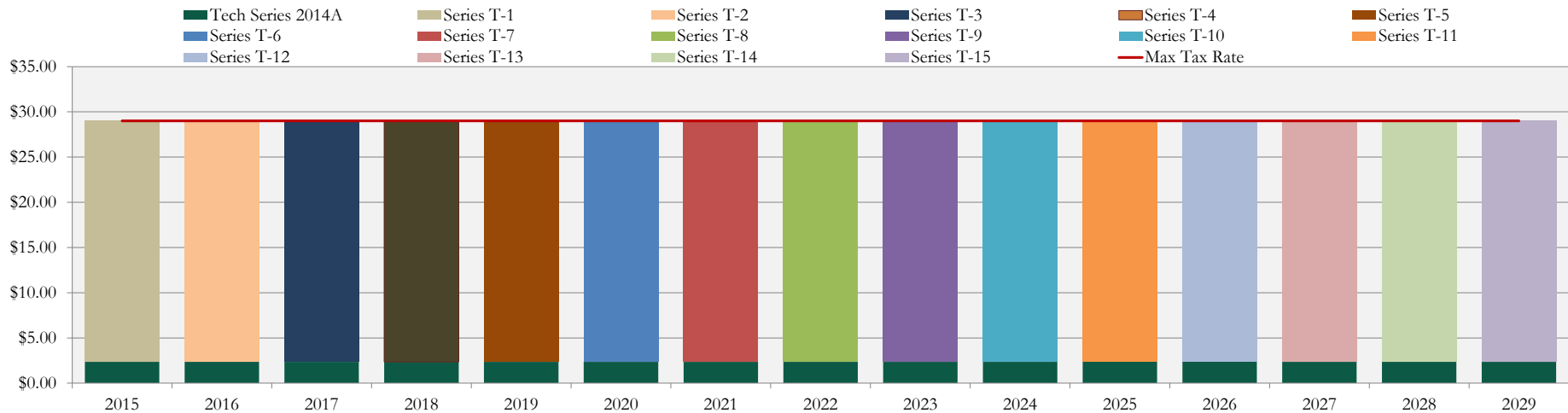
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Potential 2014 GO Bond Election

\$29 Tax Rate and 15-year Annual Tech Bonds⁽¹⁾⁽³⁾

- Issue \$10 million Tech Bond in 2014 to be repaid over fifteen years
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Estimated Tax Rates⁽²⁾



	Series 2014A	Series T-1	Series T-2	Series T-3	Series T-4	Series T-5	Series T-6	Series T-7	Series T-8	Series T-9	Series T-10	Series T-11	Series T-12	Series T-13	Series T-14	Series T-15	Total
Dated Date	08/01/14	08/01/14	08/01/15	08/01/16	08/01/17	08/01/18	08/01/19	08/01/20	08/01/21	08/01/22	08/01/23	08/01/24	08/01/25	08/01/26	08/01/27	08/01/28	-
Par Amount	\$10,325,000	\$7,300,000	\$7,660,000	\$8,045,000	\$8,445,000	\$8,870,000	\$9,315,000	\$9,780,000	\$10,265,000	\$10,780,000	\$11,320,000	\$11,885,000	\$12,480,000	\$13,105,000	\$13,760,000	\$14,450,000	\$167,785,000
Project Amount	\$10,000,000	\$7,131,750	\$7,490,850	\$7,874,888	\$8,273,888	\$8,697,825	\$9,141,713	\$9,605,550	\$10,089,338	\$10,603,050	\$11,141,700	\$11,705,288	\$12,298,800	\$12,922,238	\$13,575,600	\$14,263,875	\$164,816,350
Final Maturity	08/01/29	08/01/15	08/01/16	08/01/17	08/01/18	08/01/19	08/01/20	08/01/21	08/01/22	08/01/23	08/01/24	08/01/25	08/01/26	08/01/27	08/01/28	08/01/29	08/01/29

⁽¹⁾Assumes MMD 'AA' 10-year average scale

⁽²⁾Assumes 5% growth in AV in FY 14-15 and every year thereafter.

⁽³⁾Assumes Costs of Issuance of \$150,000 and Underwriter's Discount of \$2.50/Bond and a 1% fixed rate for each tech series.

Summary of Total Financing Scenarios

SFID Technology Bond Analysis⁽¹⁾

Tax Rate (per \$100,000 of AV)	Years of Annual Tech Bonds ⁽²⁾	Dated Date First Issuance	Final Maturity	Repayment of Series 2014A Tech Bond ⁽³⁾	Project Fund
\$19	10	8/1/14	8/1/2024	2014-2024	\$61,571,988
\$19	15	8/1/14	8/1/2029	2014-2029	\$105,849,138
\$24	10	8/1/14	8/1/2024	2014-2024	\$78,758,913
\$24	15	8/1/14	8/1/2029	2014-2029	\$135,335,238
\$29	10	8/1/14	8/1/2024	2014-2024	\$95,945,838
\$29	15	8/1/14	8/1/2029	2014-2029	\$164,816,350

⁽¹⁾ Assumes FY 13-14 SFID Assessed Value of \$26,352,438,689 increasing by 5% in FY 14-15 and every year thereafter.

⁽²⁾ Assumes Tech Bonds issued every year in August and maturing the next occurring August.

⁽³⁾ Series 2014A issued separately from annual issuances, to be repaid over the number of years of annual tech bonds.

Summary Information

Description	10-Year	15-Year
Estimated Bond-Eligible Need (Derived from Tech Plan)	\$69.2 Million	\$101.2 Million
Bond Financing Options – Estimated Project Funds		
\$19	\$61.6 Million	\$105.8 Million
\$24	\$78.8 Million	\$135.3 Million
\$29	\$95.9 Million	\$163.8 Million