

To: San José Unified Board of Education
From: Facility Needs Analysis Committee
Date: May 17, 2024
Re: Recommendation for November 2024 Potential Bond Measure

Dear Trustees,

As a committee representing parents, staff, community members, and students in the San José Unified community, we have analyzed the facility condition assessment of district schools and facilities, reviewed potential project scenarios with staff, reviewed the polling results of voters conducted in June 2023, and analyzed a financial summary of current tax rates and projected tax impacts of a November 2024 measure. Based on our analysis and discussion over the course of four meetings, we would like to provide you with a recommendation for a potential bond measure in November 2024.

1. The facility condition assessment, prepared by Cumming Group, identifies significant need at our schools and facilities. The cost to bring all items identified in the report up to an adequate standard exceeds \$1.3 billion in 2024 dollars.
 - a. Specifically, staff provided us with an analysis of work items categorized as pertaining to safety and/or code compliance. The cost of bringing just these safety and/or code compliance items up to an adequate standard is over \$640 million. Several examples within this category highlight the need that exists in the short term at our schools and facilities.
 - i. First, mechanical (HVAC) and energy management systems (EMS) are the largest cost component identified at over \$230 million to bring these systems to an adequate standard. The refrigerant utilized in the majority of the district's current systems is no longer manufactured and thus difficult and costly to obtain and will soon be obsolete. Further, a review of maintenance work order data showed that HVAC issues were the second highest category in terms of staff hours spent responding to and repairing.
 - ii. Another example is the need identified in site gas distribution systems. This is critical infrastructure to keep schools running and in need of replacement at many sites. The total cost of this work item was estimated to be over \$24 million to bring this item to an adequate standard.
 - iii. A third example is plumbing needs. This includes the replacement of waterless restroom fixtures and corroded pipes, with an estimated need of over \$15 million to bring to an adequate standard. The same review of work order data showed that plumbing issues are the third highest category in terms of staff hours spent responding to and repairing.
 - iv. Finally, this category also contains items related to existing safety systems, such as fire prevention. These systems still meet compliance due to being grandfathered in but, due to technological advancements, have evolved significantly over time. By upgrading these systems and addressing these key infrastructure needs, the district can address potential risks, hazards, and maintenance costs more effectively while ensuring compliance with legal requirements and a commitment to providing a safe and secure environment.
2. The combined 2023-2024 tax rate for payment of the outstanding bonds for all authorizations previously issued by the district is \$51.80 per \$100,000 of assessed value. Currently, San José Unified's authorizations result in the fifth lowest tax rate per \$100,000 of assessed value of school districts in Santa Clara County.
3. Poll results, from June 2023, of likely November 2024 voters show that our community is supportive of our schools and recognizes the need for additional funds to maintain high-quality

schools, even if it means raising taxes. The polling results indicate that while there is tax sensitivity, voters would support a bond measure from \$862,575,000 (\$45 per \$100,000 of assessed value) to \$1,150,000,000 (\$60 per \$100,000 of assessed value).

In conclusion, our analysis shows that there is a substantial need at our schools and facilities and that there is strong voter support for a bond measure to improve and modernize our schools to address the needs required to serve our students, families, and community. We recommend that the Board of Education direct district staff to bring forward a resolution for the November 2024 bond measure and strongly consider the maximum possible amount of \$1,150,000,000 (\$60 per \$100,000 of assessed value).

Sincerely,

Facility Needs Analysis Committee
San José Unified School District