



Perris Union High School District

Annual and Five-Year Developer Fee Report

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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 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
- Amount of School Fees Collected
- Interest earned
- Identification of any inter-fund transfers or loans, if applicable
- Amounts of any refunds
- Identification of the program on which School Fees were expended, including 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 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.

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 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 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 2022/2023 (July 1, 2022 through June 30, 2023).

A. Type and Amount of School Fees

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 levied 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	Effective Dates	School Fee Per Square Foot Within PESD	School Fee Per Square Foot Within MUSD, NUSD, RSD
Level I Fees (Residential)	July 1, 2022– June 30, 2023	\$1.63	\$1.14
Level I Fees (Commercial) ¹	July 1, 2022– June 30, 2023	\$0.2640	\$0.1848

1. Rental self-storage development was subject to School Fees in the amounts of \$0.07 per square foot for areas within PESD and \$0.05 per square foot for areas within MUSD, NUSD, and RSD.

B. Beginning and Ending Balance of Account, School Fees Collected, Interest Earned and Disbursements (Government Code Section 66006(b) (1) (C) and (D))

In Fiscal Year 2022/2023, School Fees were deposited and expended from Fund 25 in amounts as follows:

Item	Amount
Beginning Balance July 1, 2022	\$6,436,030
Revenues	
School Fees Collected	\$2,533,869
Interest Earned on School Fees	176,986
Net Increase/Decrease in Investments	(36,914)
Other Income ¹	5,092,174
Reimbursements ²	26,210
<i>Revenues Subtotal</i>	<i>\$7,792,324</i>
Expenditures	
Project Expenditures	(\$6,067,417)
<i>Expenditures Subtotal</i>	<i>(\$6,067,417)</i>
Ending Balance June 30, 2023	\$8,160,936

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 a Heritage High School (Aquatic Project) and Perris High School Completion Phase III.

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, 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 Funded
Administrative Salaries and Benefits	\$217,885.11	100%
M&O Yard Improvements	\$215.00	100%
California Military Institute (Gym Addition/Street Widening)	\$28,592.12	100%
Consulting Services and Other Services	\$261,584.54	100%
Heritage High School (Aquatic Project)	\$4,291,541.08	12%
Liberty High School #4 Project	\$226,806.56	4%
Perris High School (Completion Phase III)	\$975,299.34	5%
Perris High School (Aquatic Project)	\$65,493.68	6%
TOTAL	\$6,067,417.43	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. The School District has determined that for Fiscal Year 2022/2023, School Fees and other sources of funding were insufficient to complete the financing of any Project.

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.

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%

F. Refunds of School Fees

Government Code Section 66001 (e) stipulates that the School District is required to refund certain unexpended portions of School Fees and interest accrued to property owners, subject to exceptions described under Government Code 66001 (f). No such refunds were issued in Fiscal Year 2022/2023.

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 of school facilities required to serve students generated by new development within the School District.

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 2018/2019 through 2022/2023
Fee Justification Study – Level I	6/15/2016	07/01/2018 – 2/10/2019
School Facilities Needs Analysis – Level II & III	10/18/2017	07/01/2018 -10/18/2018
Fee Justification Study – Level I	12/12/2018	2/11/2019 – 12/20/2020
School Facilities Needs Analysis – Level II & III	12/12/2018	12/13/2018 – 12/12/2019
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 – 6/30/2023

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	\$5,300,000	
	Fund 21-Local Bonds ²	On hand	\$42,300,000	
	LCAP	On hand	\$1,000,000	
	Other Sources ³	As Available	\$9,600,000	
Subtotal			\$58,200,000	\$58,200,000
Perris High School (Aquatic Project)	Developer Fees	On hand ¹	\$242,000	
		As Available	\$3,458,000	
Subtotal			\$3,700,000	\$3,700,000
Perris High School Completion Phase III	Community Facilities District	On hand	\$79,000	
	Fund 21-Local Bonds ²	On hand	\$6,797,000	
	Redevelopment Agency Funds	On hand	\$924,000	
Subtotal			\$7,800,000	\$7,800,000
High School No. 5 Land Acquisition	Developer Fees	As Available	\$10,000,000	
Subtotal			\$10,000,000	\$10,000,000
High School No. 5 Construction	Developer Fees	As Available	\$10,000,000	
	Fund 21-Local Bonds	As Available	\$140,000,000	
	State Funding	To be determined	\$60,000,000	
	Other Sources ³	As Available	\$25,000,000	
Subtotal			\$235,000,000	\$235,000,000
Middle School No. 2	Developer Fees ¹	On hand	\$2,618,936	
	State Funding ⁴	TBD	\$20,000,000	
	Other Sources ³	As Available	\$17,381,064	
Subtotal			\$40,000,000	\$40,000,000
TOTAL			\$354,700,000	\$354,700,000

1. Based on Fund 25 balance available as of June 30, 2023.

2. Based on budgeted Measure T funds.

3. Other sources include funding anticipated from contributions from Community Facilities District contributions, future Developer Fee collections.
4. Estimated based on 50% of estimated project costs. An application for new construction funding has not been submitted to the State.