



## CASE STUDIES

# CHARTER SCHOOLS AND DISTRICT BONDS: UNANIMITY OF SUPPORT WINS

## San Diego Unified School District – Proposition Z

In 2012, the San Diego Unified School District (SDUSD) Board passed a resolution to place a school bond measure on the November ballot that included charter schools. Charter schools were included because CCSA and its affiliate CCSA Advocates engaged early in the process to ensure that a specific allocation for the more than 50 San Diego charter schools was included in the text of the ballot.

After a series of negotiations between the district and charter school representatives, SDUSD wrote a \$350 million carveout for charter schools into the \$2.8 billion school bond measure ballot. This allocation for charter schools was based on the percentage of San Diego public school students attending public charter schools. The ballot language also authorized the charter school allocation to be overseen by a newly formed Charter School Facilities Committee (CSFC). Under this first-of-its-kind partnership between a school district and charter schools, the ballot measure was approved by a 61.8% majority—nearly 7% higher than needed to become law.

After the formation of the CSFC by San Diego Unified School District, the committee spent several months considering a series of questions about how the charter school program should be developed. For example, what should the application process entail, and how should applications be evaluated? Should certain projects be prioritized for funding based on specific criteria? What types of expenditures should be eligible to receive bond funding?

Without any particular blueprint or precedent to follow, SDUSD and the CSFC needed to think through many of these fundamental questions as SDUSD prepared to begin issuing Proposition Z bonds. After much deliberation and community input, the CSFC created a formalized grant application process and rubric that focused on the applicant's level of need for facilities funding, the readiness of the school leadership to move forward with a facilities project, and other questions designed to assess the operational and academic performance of the school. Three broad categories of grant funding were also established:

### **Discretionary Grants**

To provide immediate assistance to schools, the CSFC recommend that SDUSD make available discretionary grants for items such as furniture, fixtures, and equipment, including computers. Each school would be eligible to receive \$300 per enrolled student in discretionary grant funding.

### **Planning Grants**

To help schools develop their capacity to apply for project grants (see below), the CSFC created a separate program to assist with the costs of hiring an architect and developing a facility plan. Applicants for planning grants would be assigned an architectural firm that had already been pre-approved by SDUSD and be eligible for up to \$50,000 in funds.

### **Project Grants**

Project Grants made up the majority of CSFC of funding. With no cap, these funds could be used to cover most typical expenses related to facilities development, including but not limited to land acquisition and construction costs. Unlike most grant programs, they could be used to fund up 100% of the project costs with no matching funds or debt.

Measure Z proved so successful that in 2018 voters approved an additional \$3.5 billion safety and repair bond that earmarked \$588 million for charter schools. Christened Measure YY, it passed with 65% of the vote.

### **San Diego Unified School District – Measure YY**

By early 2018, most of the proceeds of Proposition Z had been pledged to approved district and charter school projects. As is typically the case, the amount of funding needed to meet all the ongoing facilities construction and modernization needs in larger school districts cannot be raised by a single bond measure. As a result, SDUSD began planning for another bond measure for the November 2018 election. SDUSD, CCSA and CCSA Advocates, and the San Diego charter community were all committed to supporting a subsequent bond measure to continue and improve upon the Proposition Z collaboration. SDUSD ultimately decided to pursue a \$3.5 billion safety and repair bond that was designated Measure YY for the ballot. The ballot language for Measure YY committed to the allocation of an equitable \$588 million for charter school projects. The voters approved Measure YY overwhelmingly, and SDUSD and the Charter School Facilities Committee are now considering project applications for this additional funding. The amount of funding available for discretionary spending has been increased to \$500 per student, but other than that change, the Measure YY program is moving forward under the same parameters used for Proposition Z projects.

With the support of both SDUSD and the charter school sector, these bond measures have provided real facilities solutions to dozens of San Diego charter schools.