



La Mesa-Spring Valley School District
Annual and Five-Year
Developer Fee Report
For Fiscal Year 2024/2025

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SECTION I. EXECUTIVE SUMMARY

Under Education Code 17620 *et seq.*, school districts may levy fees (“School Fees”) 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 I Fees”) and are subject to an increase based on the Statewide cost index for Class B construction, as determined by the State Allocation Board every two years. The SAB last increased the Level I Fees on January 24, 2024 and the maximum School Fees for unified school districts are currently \$5.17 per square foot for residential construction/reconstruction and \$0.84 per square foot for commercial/industrial construction. 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, La Mesa-Spring Valley 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 Trustees, make available to the public certain information on an annual and five-year basis regarding the collection and expenditure of School Fees authorized by 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 instruments used by the School District to fund school facilities’ construction and improvements.

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.
- Identification of each public improvement in the previous report and whether construction began on the approximate date noted in the previous report, and if

construction did not commence by the approximate date, any reason for the delay and a revised approximate date.

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.

SECTION II. ANNUAL REPORTING REQUIREMENTS

This report contains certain information regarding the type, amount, collection and expenditure of School Fees for Fiscal Year (“FY”) 2024/2025.

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 School Fees (Level I Fees) on residential and commercial development in FY 2024/2025, 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.

The amounts and effective dates for the School Fees authorized to be levied by the School District’s Board of Education after adoption and during the FY 2024/2025 are set forth in the table below by School Fee type.

Fee Type	Effective Dates For Fiscal year 2024/2025	School Fee per Square Foot
Level I Fees (Residential) ¹	July 1, 2024 – June 30, 2025	\$3.21
Level I Fees (Commercial) ¹	July 1, 2024 – June 30, 2025	Construction - \$0.52 Storage - \$0.05

¹ Adopted by the Board of Trustees on March 12, 2024, by Resolution Number No. 23-24-14, effective May 13, 2024.

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

In FY 2024/2025, School Fees were deposited and expended from Fund 25 in amounts on the following page:

Item	Amount
Beginning Balance July 1, 2024	\$4,320,767.18
<i>Revenues:</i>	
School Fees Collected	\$1,037,301.34
Interest Earned	180,582.53
Investment Gains/Losses	68,087.00
<i>Revenues Subtotal</i>	<i>\$1,285,970.87</i>
<i>Expenditures:</i>	
Expenditures (Detail found in Section II.C below)	(\$162,926.79)
<i>Expenditures Subtotal</i>	<i>(\$162,926.79)</i>
Ending Balance June 30, 2025	\$5,443,811.26

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 are itemized below:

Project	Amount Paid During FY 2024/2025	Percent of Project Total Funded
Administrative Expenses in connection with the collection of School Fees (Ed. Code 17620(a)(5))	\$31,119.04	100.00%
Extended School Services Office Modifications	51,382.75	100.00%
Murray Manor Elementary School --ADA Improvements	22,622.00	100.00%
Spring Valley Academy—Classroom Modifications	57,803.00	100.00%
Total	\$162,926.79	N/A

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. In addition, the School District must indicate whether construction began by the approximate date on each public improvement project identified in the previous report, and for any such public improvement project for which construction did not commence by the approximate date, any reason for delay and a revised approximate date. Ongoing public improvement expenditures that have received sufficient funding are detailed below, along with the indication if the public improvement project was included in the previous report or added for the current reporting.

Project	Included in Previous Report ¹ or Added	Anticipated Date of Commencement	Project Commencement Status
School District-Wide Relocatable Replacements	Included	No date for this work to commence	Reason for the work not starting are various but include staffing constraints and the pending completion of a Facilities Condition Assessment which will assist staff in prioritizing the replacement strategy
Extended School Services Office Modifications	Added	February 2025	Commenced; in progress
Murray Manor Elementary School -- ADA Improvements	Added	April 2025	Commenced; 50% complete as of June 2025
Spring Valley Academy—Classroom Modifications	Added	January 2025	Commenced; in progress

¹ Annual and Five-Year Developer Fee Report, adopted by the Board of Trustees on December 17, 2024.

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 or Allocations 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 2024/2025 fiscal year.

Likewise, Government Code Section 66006(b)(1)(H) requires the School District to provide a description of the amount of any allocations made pursuant to Government Code section 66001(f). No such allocations were made in fiscal year 2024/2025.

END OF ANNUAL REPORTING REQUIREMENTS

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 (including permissible refurbishment and rehabilitation) of school facilities required to serve students generated by new development within the School District and to maintain existing levels of service related to increased demand on facilities due to development (See Ed. Code, § 17620 et seq.). This includes, without limitation, use of School Fees, as necessary, to provide interim housing for children generated by new development, and for other school-related considerations relating to the School District's ability to accommodate enrollment generated from new development and costs attributable to the increased demand for school facilities reasonably related to new development and necessary to maintain existing levels of service. Likewise, fees will also be used for other indirect and support services related to construction and reconstruction (including permissible refurbishment and rehabilitation) of school facilities necessary as a result of development.

For additional information on specific projects for which School Fees are anticipated to be expended, please refer to the table found in Section III. C of this report.

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 the construction and reconstruction (including permissible refurbishment and rehabilitation) of school facilities by reason of the fact the students that are generated by new development will be accommodated by the school facilities for which the School Fees will be expended. The School Fees charged on development projects will be used (1) to fund school facilities needed to serve the students generated from development projects, and (2) to modernize or refurbish existing facilities to address increased demand on the facility due to development and enrollment as is necessary for the School District to maintain existing levels of service. Additionally, the School Fees do not exceed the cost of providing school facilities for the new students generated from new development. Rather, the School Fees only partially mitigate the impact caused by development and do not adequately fund the school facilities necessary to accommodate the students generated by such 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 Fees	Dated Adopted	Effective Dates for Fiscal Years 2020/2021 through 2024/2025
Fee Justification Study	Level I	3/12/2024	5/13/2024 – 6/30/2025
Fee Justification Study	Level I	7/12/2022	8/16/2022 – 5/12/2024
Fee Justification Study	Level I	9/09/2021	11/10/2021 – 8/15/2022
Fee Justification Study	Level I	2000	7/01/2020 – 11/09/2021

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	Source of Funds	Timing of Funds	Project Total/Funding Amount
School District-Wide Solar	School Fees	On Hand ¹	\$992,312
Subtotal			\$992,312
School District-Wide Relocatable Replacements (portables aged over 60 years)	School Fees	On Hand ¹	\$4,451,499
		As Available	\$948,501
Subtotal			\$5,400,000
Total			\$6,392,312

¹ Based on Fund 25 balance for School Fees as of June 30, 2025.

END OF FIVE-YEAR REPORTING REQUIREMENTS