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SHAFFER UNION ELEMENTARY SCHOOL DISTRICT
NOTICE OF PUBLIC HEARING

Level I School Facility Developer Fee Justification Study
NOTICE IS HEREBY GIVEN that the Governing Board of the Shaffer Union Elementary School District will conduct a public hearing to consider the adoption of a Level I School Facility Developer Fee Justification Study prepared by King Consulting and the establishment or adjustment of statutory school facility developer fees pursuant to California Education Code Sections 17620–17626 and Government Code Sections 66001, 66016, and 66018.

PUBLIC HEARING INFORMATION
Date: November 17, 2026
Time: 5:00am
Location: Shaffer Union Elementary School District
Address: 722-055 HWY 395 N, Litchfield, CA

The purpose of the public hearing is to receive public comments regarding the proposed developer fees on new residential and commercial/industrial construction within the District's boundaries.
The proposed fees are intended to help mitigate the impacts of future development on the District's school facilities and provide funding for school facility needs resulting from such development.

PUBLIC REVIEW OF DOCUMENTS
The Level I School Facility Developer Fee Justification Study and supporting documentation will be available for public inspection at least ten (10) days prior to the scheduled public hearing at the Shaffer Union Elementary School District Office during regular business hours.
Copies of the study may be requested by contacting the District Office at 530-254-6577

PUBLIC PARTICIPATION
All interested members of the public are invited to attend the public hearing and provide oral or written comments regarding the proposed fees.
Following the public hearing, the Governing Board may consider adoption of a resolution establishing or adjusting the District's Level I school facility developer fees.
This notice is provided pursuant to California Government Code Sections 66016 and 66018 and Education Code Sections 17620–17626.

Shaffer Union Elementary School District
Office of the Superintendent
722-055 HWY 395 N. Litchfield, California
Date of Notice: 11/3/2026

KING
CONSULTING

Developer Fee Justification Study

Shaffer Union Elementary School District

November 17, 2026

Prepared for:
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EXECUTIVE SUMMARY

The Shaffer Union Elementary School District (SUESD, "the District") is located in eastern unincorporated Lassen County. The District serves a total of 254 TK-8th grade students at one TK-8 elementary school.

In January 2026, the State Allocation Board's biennial inflation adjustment changed the fee to $5.38 per square foot for residential construction and $0.87 per square foot for commercial/industrial construction. The District splits its collected developer fees with the Lassen Union High School District, with SUESD retaining 65% of the collected fee. The following Developer Fee Justification Study demonstrates the District is justified in collecting its share of the statutory Level I residential and statutory commercial/industrial fees on future development based on the following analysis:

- The District's most recent State-certified total enrollment in 2025-26 was 254 students;
- A real estate database was reviewed to estimate that approximately 21 new residential units will be constructed over the next twenty years. Lassen County was unable to provide an estimate, but was provided with the estimate of 21 units over 20 years and did not object to the estimate. It is estimated that the average square footage of new homes will be 1,724 square feet;
- Student generation rates, based on an analysis of District enrollments and housing units, indicate each new residence will generate students at a rate of 0.305 TK-8th grade students per unit;
- The 21 new units are projected to generate 6 TK-8th grade students for the District to house;
- Some District facilities are over 25 years old and in need of modernization to continue housing existing students and students generated by new development at the existing level of service over the next 20 years;
- It is fiscally more prudent to extend the useful life of an existing facility than to construct new facilities when possible;
    - The cost to modernize facilities is approximately 38.1% of the cost to construct new facilities;
    - The total estimated cost to reconstruct and/or modernize facilities for the students generated from new development is $264,690;
- Based on the cost of reconstructed school facilities, the modernization impact equates to $7.31 per square foot of residential development;
- All categories of commercial/industrial development except for mini-storage create a modernization cost to the District of $3.34 per square foot;
- Mini-storage construction creates a cost of $0.08 per square foot;
- The District is justified to adopt its 65% share of the statutory Level I Developer Fees, currently $3.50 per square foot for residential construction and $0.57 per square foot for commercial/industrial construction, except for mini-storage which should be charged at $0.08 per square foot.

DEVELOPER FEES: BACKGROUND

School districts are continually evaluating the condition of their capital facilities and identifying whether construction of new facilities and/or improvements to existing facilities are necessary to sufficiently house their student body. Districts may use various sources of funds for these capital facility projects, including Developer Fees, State program funds, redevelopment funds, certificates of participation, sale of capital assets, and mitigation measures. In September 1986, the Governor signed into law Assembly Bill 2926 (Chapter 887/Statutes 1986), which granted school district governing boards the authority to impose developer fees. This authority is codified in Education Code Section 17620, et seq. which states in part "...the governing board of any school district is authorized to levy a fee, charge, dedication or other requirement against any construction within the boundaries of the district for the purpose of funding for the construction or reconstruction of school facilities."

School districts were provided with a mechanism to assist in funding with the adoption of the Mitigation Fee Act (Government Code Section 66000 et seq.). This act governs the imposition of fees by a district as a condition of approval of a development project. In order to impose such a fee, a reasonable connection must exist between the new development and the construction and/or improvement of school facilities for which the fees are to be assessed.

Level I fees (also known as statutory fees) are adjusted every two years according to the inflation rate for Class B construction as determined by the State Allocation Board. With the passage of SB50 in 1998, a cap was placed on the amount that could be charged under the Level I fee calculation. The law allowed for adjustments of the cap as noted in Government Code Section 65995(b)(3), which specifies in part that "...fees shall be increased every two years, according to the adjustment for inflation set forth in the statewide cost index for Class B Construction, as determined by the State Allocation Board at its January meeting, which increase shall be effective as of the date of that meeting."

Level II developer fees are outlined in Government Code Section 65995.5 and allow a school district to impose a higher fee on residential construction only if certain conditions can be met and a study conducted to provide justification for the higher residential fee per square foot.

As of January 2026, Government Code Section 65995 authorizes school districts to collect Developer Fees on future development of no more than $5.38 per square foot for residential construction and $0.87 for commercial/industrial construction (Level I fees).

Over the last several years, the Legislature has introduced legislation governing the addition of living areas attached or detached from the primary single-family or multifamily dwelling unit (generally referred to as Accessory Dwelling Units (ADUs), and Junior Accessory Dwelling Units (JADUs)). Whether these types of dwelling units are called casitas, granny flats, in-law units, accessory units, or converted living space, these constructed areas are intended to provide an area for living and sleeping – whether the facilities and provisions for living, sleeping, eating, cooking, and sanitation are within that living space or within (or adjacent to) the attached single-family or multifamily dwelling unit. The construction of ADUs and JADUs over 500 square feet qualifies as residential development that generates students, and the District will levy the appropriate fee rate for these types of project when permissible to the extent allowed by law.

The content of this Study will show that the Shaffer Union Elementary School District is justified in levying its 65% share of the statutory Level I Developer Fee amount currently authorized by the State Allocation Board.

The Shaffer Union Elementary School District splits collected developer fees with Lassen Union High School District, retaining 65% of collected fees. Therefore, the maximum statutory fees SUESD can collect are residential fees at a rate of $3.50 per square foot and commercial/industrial fees at a rate of $0.57 per square foot.

LEGISLATIVE HISTORY

State legislation, specifically AB 2926 and AB 1600, provides guidelines, procedures, and restrictions on the levy of School Fees for school facilities. Certain provisions of this legislation and history are summarized below:

AB 2926

AB 2926 was enacted by the State in 1986. Among other things, AB 2926 added various sections to the Government Code which authorize school districts to levy School Fees on new residential and commercial/industrial developments in order to pay for school facilities. In addition, AB 2926 provides for the following:

1. No city or county can issue a building permit for a development project unless such School Fees have been paid.
2. School Fees for commercial/industrial development must be supported by the finding that such School Fees "are reasonably related and limited to the needs for schools caused by the development."
3. School Fees for 1987 were limited to $1.50 per square foot on new residential construction and $0.25 per square foot for new commercial/industrial construction.
4. Every year, School Fees are subject to annual increases based on the Statewide cost index for Class B construction, as determined by the SAB at its January meeting (This provision was changed to every other year by AB181).

The provisions of AB 2926 have since been expanded and revised by AB 1600.

AB 1600

AB 1600, which created Sections 66000 et seq. of the Government Code, was enacted by the State in 1987. AB 1600 requires that all public agencies satisfy the following requirements when establishing, increasing or imposing a fee as a condition of approval for a development project.

1. Determine the purpose of the fee.
2. Identify the facilities to which the fee will be put.
3. Determine that there is a reasonable relationship between the need for public facilities and the type of development on which a fee is imposed.
4. Determine that there is a reasonable relationship between the amount of the fee and the public facility or portion of the public facility attributable to the development on which the fee is imposed.

5. Provide an annual accounting of any portion of the fee remaining unexpended, whether committed or uncommitted, in the School District's accounts five or more years after it was collected.

In other words, AB 1600 limits the ability of a school district to levy School Fees unless (i) there is a need for the School Fee revenues generated and (ii) there is a nexus or relationship between the need for School Fee revenues and the type of development project on which the School Fee is imposed. (The requirements of AB 1600 were clarified with the passage in 2006 of AB 2751, which codifies the findings of Shapell Industries v. Milpitas Unified School District.) The Study will provide information necessary to establish whether such a nexus exists between School Fees and residential development.

AB 181

AB 181, enacted by the State in 1989, made significant changes in several State Codes, including Sections 53080 et seq. of the Government Code which was re-codified as Sections 17620 et seq. of the Education Code on January 1, 1998. Changes in Section 53080 included additional requirements and procedures for imposing School Fees and other conditions on new development. Specifically, AB 181 imposes more stringent nexus requirements on school districts that wish to levy School Fees on commercial/industrial development ("CID"), as follows:

1. In order to levy a School Fee on CID, a formal study must be conducted to determine the impact of "the increased number of employees anticipated to result" from new CID on the "cost of providing school facilities within the School District".
2. Only that portion of the School Fee justified by the "nexus findings" contained in this study may be levied. Nexus findings must be made on an individual project basis or on the basis of categories of CID and must "utilize employee generation estimates that are based on commercial/industrial factors within the school district."
3. Categories to be evaluated may include, but are not limited to, office, retail, transportation, communications and utilities, light industrial, heavy industrial, research and development, and warehouse uses.
4. Starting in 1990, maximum School Fees for residential and CID will be subject to increases every two (2) years rather than annually.
5. An appeals procedure shall be established whereby the levy of School Fees on a commercial/industrial project may be appealed to the governing board of a school district. Grounds for an appeal must include, but are not limited to, improper project classification by commercial/industrial category, or the application of improper or inaccurate employee or student generation factors to the project.

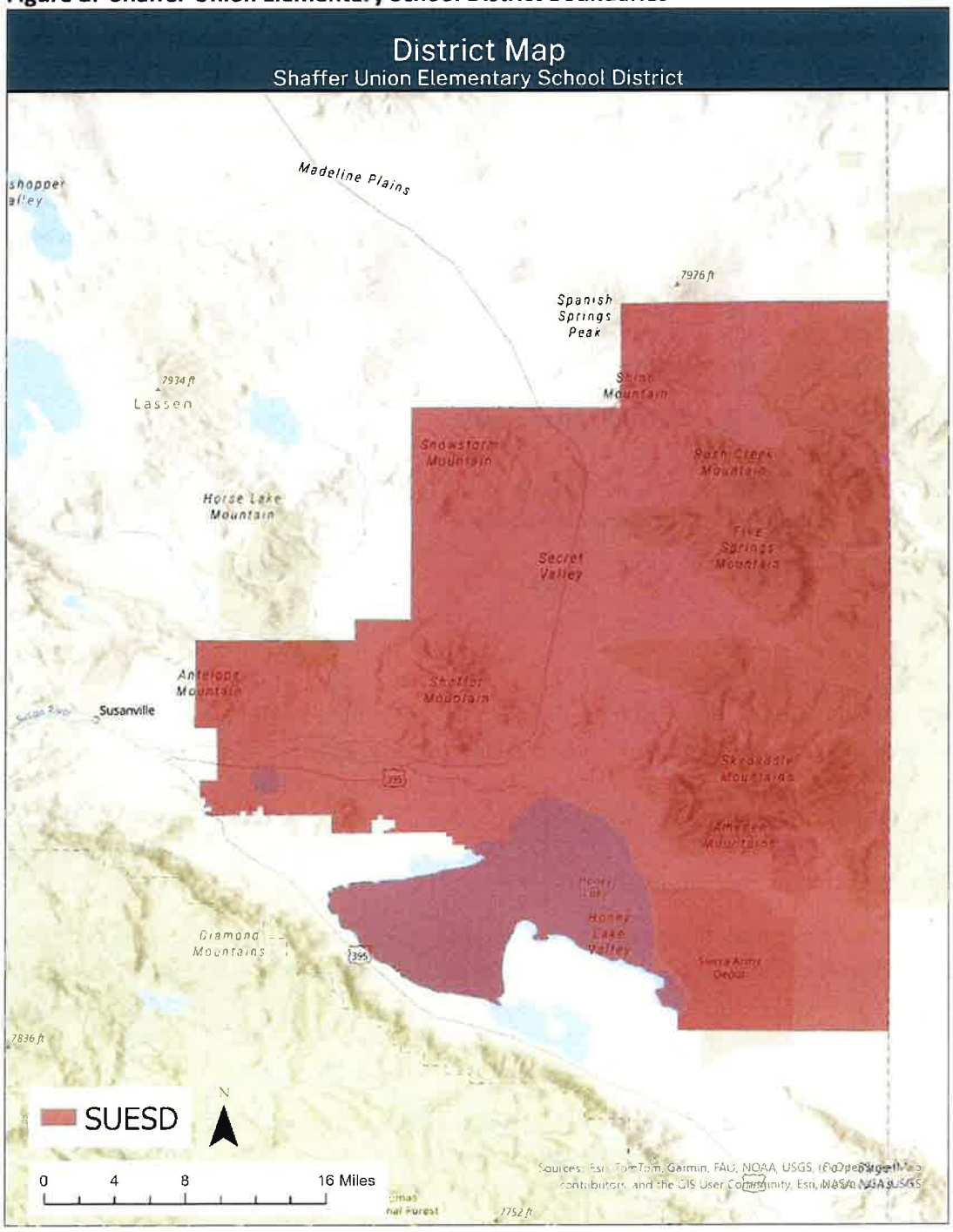
In summary, AB 181 establishes additional requirements which must be satisfied by school districts prior to their levying School Fees on CID.

DEVELOPER FEE JUSTIFICATION: RESIDENTIAL DEVELOPMENT

Shaffer Union Elementary School District

The Shaffer Union Elementary School District serves an unincorporated area of eastern Lassen County. The District serves TK-8th grade students and has one school serving all students. Figure 1 provides the District boundary and the areas of jurisdiction served by the District.

Figure 1. Shaffer Union Elementary School District Boundaries



Projected Residential Development

Residential development generates students for the District to house in facilities, new and/or renovated. Therefore, it is imperative to research residential development to project growth and associated student generation within the District. While Lassen County was unable to provide an estimate of future development (due to a lack of large-scale projects within the District), King utilized a real estate database to confirm how many individual homes have been constructed within SUESD over the last 20 years. Assuming the same level of development will occur over the next 20 years, a total of 21 new units are expected to be built in the District. Lassen County Planning and Building Services staff were provided with this estimate and did not object to its use.

Student Generation Rates

The average number of students generated by each housing unit provides a student generation rate or "yield factor". The number of students generated from new housing units within the District's boundaries was assessed for the District by comparing the total number of housing units within the District provided by the 2024 American Community Survey (ACS) to the 2025-26 SUESD student list (the most recently State-certified enrollment count for the District) to calculate the number of students per home within SUESD. This calculation results in a rate of 0.305 SUESD students per housing unit. This student generation rate can then be applied to the projected housing units to assist in determining the new students entering the District. These calculations are shown in Table 1.

Table 1. Student Generation Rates and Students Generated

Total Housing Units ACS 2024	2025-26 Students	Student Generation Rate	Projected Units Within the District	Expected Students Generated
834	254	0.305	21	**6**

Projected School Facilities Needs

As new students are generated by development, the need to increase the useful life of school facilities becomes more apparent. Only with regular modernization/reconstruction can the District maintain facilities to their current quality to ensure they can still be effectively used to house all students over the next 20 years. Without the ongoing modernization/reconstruction of its existing facilities to maintain the existing level of service, students generated by future residential development would not receive the same level of service as current students experience.

The SUESD Board has recognized the need for the funding of specific projects including blacktop replacements, roof upgrades, fence replacements, updated playgrounds, a new football field to replace the existing one, and parking lot improvements. The total cost of these projects is estimated to be $3.7 million. Even after applying the $2 million in bond funding from Measure W, passed in 2024, there still remains a shortfall of $1.7 million.

To calculate the modernization/reconstruction needs generated by students from new development, the District must analyze the number of new units to be constructed, the square footage of those units, and, utilizing the student generation rate, the number of students to be generated by those developments. Once this analysis is completed, the per pupil cost to house those students can be calculated based on the

cost to modernize facilities. The average square footage derived from the past twenty years of housing development in a real estate database was used to estimate the expected square footage of future development. These calculations are shown in Table 2.

Table 2. Housing Units and Calculation of Square Footage

Residential Type	Total Projected Housing Units	Average Square Footage	Total Projected Square Footage
All Units	21	1,724	**36,204**

New Construction Cost vs. Modernization

The cost per student to construct new school facilities within the Shaffer Union Elementary School District is $115,788 as shown in Table 3. Construction costs were provided by Van Pelt Construction Services based on records of past and present school construction projects in the Northern California region (Appendix A). The cost to modernize facilities is 38.1% of new construction costs. This percentage is based on the comparison of the per pupil grant for the State School Facility Program modernization program and the State per pupil new construction grant. When analyzing the cost to construct new facilities, the State provides $16,411 per elementary pupil and $6,249 to modernize facilities. For middle school pupils, the State provides $17,358 for new construction and $6,608 for modernization. The weighted average of the modernization grants is 38.1% of the new construction grants. Appendix B details the School Facility Program per pupil grant amounts.

Table 3. Cost per Student for New Construction

Grade Level	New Construction Cost per Student
TK-5	$108,895
6-8	$131,870
Weighted Average ($108,895*7)+($131,870*3))/10	**$115,788**

Since the new construction cost per student is $115,788, the modernization cost per student for the Shaffer Union Elementary School District is 38.1% of this value, or $44,115.

This modernization cost per student is multiplied by the total students generated from Table 1 to determine the District's total modernization need (Table 4). Dividing the total modernization need by the total projected square footage in Table 2 provides the modernization facilities cost per square foot (Table 5).

Table 4. District Total Modernization Need

Modernization Cost per Student	Total Students Generated	Total Modernization Need
$44,115	6	**$264,690**

Table 5. District Modernization Facilities Cost per Square Foot

Total Modernization Need	Total Projected Square Footage	Facilities Cost per Square Foot
$264,690	36,204	**$7.31**

The Shaffer Union Elementary School District is justified in collecting residential developer fees at a rate of $7.31 per square foot, which exceeds 65% of the current statutory Level I fee ($3.50, or 65% of $5.38). Therefore, the District is justified to collect its 65% share of the full amount of the statutory fee per square foot of new residential construction, currently $3.50.

DEVELOPER FEE JUSTIFICATION: COMMERCIAL/INDUSTRIAL PROJECTS

California Assembly Bill 181 provides that a district "must determine the impact of the increased number of employees anticipated to result from commercial/industrial development upon the cost of providing school facilities within the District. For the purposes of making this determination, the study shall utilize employee generation estimates that are based on commercial and industrial factors within the District, as calculated on either an individual project or categorical basis". However, Assembly Bill 530 modified the requirements of AB 181 by allowing the use of a set of statewide employee generation factors. These factors are identified in the San Diego Association of Governments report, "San Diego Traffic Generators". This study has become the standard in the industry for the calculation of the commercial/industrial fees.

Senior Housing

Certain types of housing dedicated for occupancy by senior citizens may not be subject to the full residential fee because it would not house student age residents. Pursuant to state law, it would generally be subject to the maximum fee for commercial development projects, based on its indirect contribution to student generation. Individual projects applying for such special treatment should be evaluated by the District on a case-by-case basis to ensure that the units will be permanently dedicated for use by seniors.

Commercial/Industrial Development Fee Calculations

The construction of commercial/industrial buildings within a community generates new employees and, therefore, new residents for a school district. The link between creating new jobs and student enrollment has been acknowledged by the State Allocation Board and in statute. The Legislature has also determined that if there is more impact than can be mitigated by residential fees, and some of this impact is caused by commercial/industrial development, then commercial/industrial development can also be charged fees. As demonstrated, the District is justified to collect a residential fee that exceeds the current statutory level.

To determine the impact of commercial/industrial development, several factors must be analyzed to calculate the modernization cost per square foot of this development. Assembly Bill 530 allows for the use of state-wide employee generation factors, specifically those derived from a report entitled San Diego Traffic Generators published by the San Diego Association of Governments in 1990. This report demonstrates the number of employees generated per square foot of commercial/industrial development, by category. Table 6 displays these categories and the number of employees generated for each square foot of space. An average employees/square foot value is then determined for SUESD based on these categories.

Table 6. Commercial/Industrial Employee Generation Factors

Development Category	Employees/Square Foot
Agriculture	0.00031
Banks	0.00282
Commercial Offices	0.00478
Community Shopping Centers	0.00109
Corporate Offices	0.00268
Industrial Parks	0.00168
Industrial/Business Parks	0.00221
Lodging	0.00155
Medical Offices	0.00427
Neighborhood Shopping Centers	0.00362
Scientific R&D	0.00304
Average	**0.00255**

Additional data is used to determine the base school facility impact incurred to the District by commercial/industrial development. As shown in Table 7, the calculations also consider the percent of employees in the District who also live in the District, the number of households per employee, the students generated per household, and the modernization cost for each student. Data for percent of employees living in the District and households per employee are sourced from The United States Census Bureau's 2024 American Community Survey. The average students generated per household was previously shown in Table 1, while the modernization cost per student was shown in Table 4.

Table 7. Commercial/Industrial Base Cost per Square Foot (Except Mini-Storage)

Employees/ Square Foot	% Employees Living in District	Households per Employee	TK-8 Students per Household	Modernization Cost per Student	Commercial/Industrial Cost per Square Foot
0.00255	20.6%	0.856	0.305	$44,115	**$6.05**

It is important to note the mini-storage category of commercial development as an exception to the rates in Table 6. This type of development has a much lower impact than all other categories of commercial/industrial development, with only 0.00006 employees generated per square foot. Table 8 demonstrates the base cost per square foot for mini-storage development only.

Table 8. Mini-Storage Base Cost per Square Foot

Employees/ Square Foot	% Employees Living in District	Households per Employee	TK-8 Students per Household	Modernization Cost per Student	Commercial/Industrial Cost per Square Foot
0.00006	20.6%	0.856	0.305	$44,115	**$0.14**

Having calculated the base costs per square foot for commercial/industrial development, a residential fee offset must be applied to account for the residential fee revenues the District will collect from homes associated with the employees generated by new commercial/industrial development. It is important to note that while this offset assumes all homes associated with new employees are new homes, in reality some of the new employees will live in existing homes. For the purpose of calculating the residential fee offset, it is estimated the District will collect 65% of the full statutory residential fee of $5.38 per square foot, which is $3.50 per square foot. The average square footage for a new home in the District was previously shown in Table 2. Table 9 shows the calculations for the residential fee offset for all commercial/industrial development except mini-storage, while Table 10 shows the calculation for mini-storage development.

Table 9. Commercial/Industrial Residential Fee Offset (Except Mini-Storage)

Employees/Square Foot	% Employees Living in District	Households per Employee	Average Square Feet/ Household	Revenue per sq. ft. from Residential Fee	Residential Offset
0.00255	20.6%	0.856	1,724	$3.50	**$2.71**

Table 10. Mini-Storage Residential Fee Offset

Employees/Square Foot	% Employees Living in District	Households per Employee	Average Square Feet/ Household	Revenue per sq. ft. from Residential Fee	Residential Offset
0.00006	20.6%	0.856	1,724	$3.50	**$0.06**

By subtracting the residential fee offset from the base commercial/industrial costs per square foot, the final school facility cost, which takes into account linked residential revenue, is determined. Table 11 shows the final commercial/industrial costs per square foot.

Table 11. Commercial/Industrial Final Costs per Square Foot

Development Type	Base Cost per Square Foot	Residential Offset	Final Cost per Square Foot
Mini-Storage	$0.14	$0.06	**$0.08**
All Other Commercial/Industrial	$6.05	$2.71	**$3.34**

As established above, the District is justified in collecting commercial/industrial developer fees at a rate of $3.34 per square foot, which exceeds 65% of the current statutory Level I fee ($0.57, or 65% of $0.87), with the exception of mini-storage development, which is justified at a lower amount. Therefore, the District is justified to collect its 65% share of the full amount of the statutory fee per square foot of new commercial/industrial construction, currently $0.57, except for mini-storage, which should be collected at $0.08 per square foot.

SUMMARY AND FINDINGS

This study finds that the Shaffer Union Elementary School District is justified in the collection of its 65% share of the statutory developer fees per square foot of both residential and commercial/industrial construction. The District should move forward with adopting the new fees. This requires the District to follow the appropriate notices for a public hearing and meet all noticing requirements.

This justification is based on the following conclusions of the study:

- There remains a need to modernize its school facilities to continue housing new students who are generated from new development at the existing level of service;
    - Modernization costs are 38.1% of new construction costs;
- Residential development will generate 0.305 TK-8th grade students per unit for the District to house;
    - The District's modernization cost for students generated from residential development is $7.31 per square foot;
- Commercial/Industrial calculations also indicate a cost to house pupils that would be generated from local housing as a result of residents moving into the District;
    - This modernization cost for students generated from commercial/industrial development is $3.34 per square foot, except for mini-storage development which is $0.08 per square foot;
- The District meets the criteria to impose the statutory developer fees.

Due to these factors, the District should proceed with adopting its 65% share of the statutory Level I Developer Fees, currently $3.50 per square foot for residential construction and $0.57 per square foot for commercial/industrial construction, except for mini-storage which should be charged at $0.08 per square foot.

ADMINISTRATION OF THE FEES

Administrative Requirements

The District must maintain a special account for the developer fees collected and any interest which accrues from the fees collected.

Reporting Requirements

Government Code sections 66006 and 66001 require, annually within 180 days of the end of each fiscal year, that the District make available to the public certain information and adopt prescribed findings relative to Developer Fees adopted pursuant to Education Code section 17620 and Government Code section 65995.

For the fifth fiscal year following the first deposit into the fund, and every five years thereafter, the District is required to make additional findings with respect to that portion of the fund remaining unexpended, whether committed or uncommitted.

This accounting will identify a description of the fee and its amount as well as a beginning and ending fund balance. Also, in the report will be the portion of the collected funds that have been expended, those remaining funds, and the purpose to which those have been and will be put to use. The report must also identify the approximate date upon which a school district anticipates receiving adequate revenue to complete any improvements required as a result of students generated from residential or commercial construction projects.

Government Code Section 66001 (a) (1): Purpose of Fees

The purpose of the fee is school facility construction and reconstruction to help the District continue to provide school facilities to all pupils, current and new, over the next 20 years by continuing to reconstruct or modernize the existing facilities to maintain the existing level of service for all students.

Government Code Section 66001 (a) (2): Use of Fees

The District's use of the fee will involve construction and/or reconstruction of school facilities and/or additional permanent facilities on existing school campuses, including but not limited to the types of projects included in this Study. In addition, the District may need to purchase or lease portable classrooms to use for interim housing while permanent facilities are being constructed. Revenue from fees collected on residential and commercial/industrial development may be used to pay for any of the following:

1. Design of School Facilities;
2. Purchase of land for School Facilities;
3. Construction or reconstruction of school facilities including both classroom and instructional spaces, and ancillary supporting facilities;
4. Testing and inspection of school sites and school buildings and permit and plan check fees;
5. Interim school facilities to house students generated by new development while permanent facilities are being constructed;
6. Legal and administrative costs associated with providing facilities to students generated by new development;
7. Administration of the collection of developer fees;

8. Miscellaneous purposes resulting from student enrollment growth caused by new residential development; and
9. Any other use permitted by law.

Government Code Section 66001 (a) (3): Reasonable Relationship between the Fee's Use and the Type of Development Project on which the Fee is Imposed

Future residential development will cause new families to move into the District and, consequently, generate additional students in the District. In order to continue providing facilities at the existing level of service for future students, the District will need to modernize and/or reconstruct facilities. The fee's use is therefore reasonably related to the type of project upon which it is imposed.

In addition, new commercial/industrial development will cause new workers to move into the District. Because some of these workers will have school-age children, the District will need to provide facilities for these students. The fee's use is reasonably related to the type of project upon which it is imposed.

Fees on Residential Reconstruction

Residential Reconstruction consists of voluntarily demolishing existing residential units and replacing them with new residential development. To the extent reconstruction increases the residential square footage beyond what was demolished, the increase in square footage is subject to the applicable developer fees as such construction is considered new residential development. As for the amount of square footage constructed that replaces only the previously constructed square footage the determination of the applicable fee, if any, is subject to a showing that the replacement square footage results in an increase in student enrollment and, therefore, an additional impact being placed on the School District to provide facilities for new student enrollment. Prior to the imposition of fees on Replacement Square Footage, the School District shall undertake an analysis on any future proposed projects(s) to examine the extent to which an increase in enrollment can be expected from Replacement Square Footage due to any differential in SGRs as identified in the Study between existing square footage and Replacement Square Footage. Any such fee that is calculated for the Replacement Square Footage shall not exceed the School Fee that is in effect at such time.

Reconstruction of Commercial/Industrial Square Footage

The voluntary demolition of existing commercial/industrial buildings and replacement with new residential development is a different category of Reconstruction. The School District will evaluate the impacts of Commercial/Industrial Reconstruction projects on a case-by-case basis and will make a determination of whether a fee credit is justified based on the nature of the project.

Government Code Section 66001 (a) (4): Reasonable Relationship Between the Need for the Public Facility and the Type of Project Upon Which the Fee is Imposed

As demonstrated in this Study, current District school facilities require renovation/reconstruction to continue providing the existing level of service for the next 20 years. Existing residents and residents from new development, both residential and commercial/industrial, should share in these costs. Therefore, the need for adequate school facilities is directly related to the new residential and commercial/industrial development projects upon which the fee is imposed.

Government Code Section 66001 (b): Reasonable Relationship Between the Amount of the Fee and the Cost of the Public Facility

The State School Facility Program provides a reference for the relative cost of reconstruction/modernization projects to new construction. This report demonstrates the cost per student for new construction projects, and by using the School Facility Program grant amounts for reference, the cost per student for reconstruction/modernization projects that will need to be undertaken to ensure the District can continue to provide school facilities at the existing level of service for all future students. This report also demonstrates that the cost impact to the District per square foot of development, whether residential or commercial/industrial, is greater than the statutory developer fees to be collected.

REVENUE SOURCES/FUNDING FACILITIES

The District may also utilize other sources of funding for modernizing and/or reconstructing school facilities. These funding sources include:

State School Facility Program

Senate Bill 50 reformed the State School Building Lease-Purchase Program in August, 1998. The new program, entitled the School Facility Program, provides funding under a "grant" program once a school district establishes eligibility. Funding required from districts is a 50/50 match for new construction projects and a 60/40 match for modernization projects. While there is generally a shortfall between State funding and the District's actual facility needs, the State monies aid in assisting the District in its facility needs.

General Obligation Bonds

School districts can, with the approval of 2/3 or 55% of voters, issue General Obligation Bonds which are paid out of property taxes.

The Shaffer Union Elementary School District was most recently successful in passing Measure W in November 2024, which authorized $2 million in bonds "To improve local schools; construct/renovate a gymnasium/multi-purpose room and other school facilities; update infrastructure including plumbing, electrical and water; install or repair HVAC; improve safety and security." However, these bond funds fall short of the District's current identified facility needs, even before accounting for any bond funds to be spent on the escalating cost of school facilities projects over time.

Parcel Taxes

Approval by 2/3 of the voters is required to impose taxes that are not based on the assessed value of individual parcels. The revenues from these taxes are usually minor. Parcel taxes are typically not used for capital outlay. Instead, revenue from such programs is generally used to fund curriculum, instructional enhancements, and other non-facility related expenditures.

Mello-Roos Community Facilities Districts

This alternative uses a tax on property owners within a defined area to pay long-term bonds issued for specific public improvements. Mello-Roos taxes require approval from 2/3 of the voters in an election.

RECOMMENDATIONS

This report recommends that the Shaffer Union Elementary School District levy its 65% share of the maximum statutory fee authorized by Government Code Section 65995 on new residential development, currently $3.50 per square foot, (65% of $5.38) per the District's fee sharing agreement with Lassen Union High School District. This report also recommends that the Shaffer Union Elementary School District levy its 65% share of the maximum statutory fee authorized by Government Code Section 65995, currently $0.57 per square foot, (65% of $0.87) on all categories of commercial/industrial development (except mini-storage, which is justified at a rate of $0.08 per square foot) per the fee split agreement with the Lassen Union High School District.

These recommendations are based on the findings that residential and commercial/industrial development create a school facility cost for the Shaffer Union Elementary School District.

SOURCES

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United States Census Bureau, 2024 American Community Survey.

APPENDIX A

CONSTRUCTION COSTS

October 10, 2026

RE: Estimated Construction Costs
Subject: Per-Student Costs at Shaffer Union Elementary School District

To Whom It May Concern,

We have reviewed our records of past and present projects that involve recent new school construction within the region. Using a formula based on escalation from projects in previous years, our estimate for the Shaffer Union Elementary School District is as follows:

NORTHERN CALIFORNIA REGION

Estimated Construction Costs (Escalated 17% from December 2023 baseline)

School Type	Capacity	Construction Cost per Student	Total Construction Cost
Elementary School	300	$108,895	$32,668,500
Middle School	300	$131,870	$39,561,000

These costs assume a reasonably flat site with access to utilities consistent with an urban or residential area. Costs exclude site acquisition. These figures are intended for use in establishing developer fee justifications and estimating State eligibility; they are not intended as project-specific budgets.

Thank you,

Kelli Jurgenson
Vice President
VPCS

APPENDIX B

PER PUPIL GRANT AMOUNTS

ATTACHMENT B

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

State Allocation Board Meeting, January 28, 2026

Grant Amount Adjustments

New Construction	SFP Regulation Section	Adjusted Grant Per Pupil Effective 1-1-25	Adjusted Grant Per Pupil Effective 1-1-26
Elementary	1859.71	$15,847	$16,411
Middle	1859.71	$16,761	$17,358
High	1859.71	$21,327	$22,086
Special Day Class – Severe	1859.71.1	$44,531	$46,116
Special Day Class – Non-Severe	1859.71.1	$29,782	$30,842
Automatic Fire Detection/Alarm System – Elementary	1859.71.2	$19	$20
Automatic Fire Detection/Alarm System – Middle	1859.71.2	$25	$26
Automatic Fire Detection/Alarm System – High	1859.71.2	$42	$43
Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.71.2	$79	$82
Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.71.2	$56	$58
Automatic Sprinkler System – Elementary	1859.71.2	$265	$274
Automatic Sprinkler System – Middle	1859.71.2	$317	$328
Automatic Sprinkler System – High	1859.71.2	$329	$341
Automatic Sprinkler System – Special Day Class – Severe	1859.71.2	$839	$869
Automatic Sprinkler System – Special Day Class – Non-Severe	1859.71.2	$562	$582

ATTACHMENT B

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

State Allocation Board Meeting, January 28, 2026

Grant Amount Adjustments

Modernization	SFP Regulation Section	Adjusted Grant Per Pupil Effective 1-1-25	Adjusted Grant Per Pupil Effective 1-1-26
Elementary	1859.78	$6,034	$6,249
Middle	1859.78	$6,381	$6,608
High	1859.78	$8,356	$8,653
Special Day Class - Severe	1859.78.3	$19,232	$19,917
Special Day Class – Non-Severe	1859.78.3	$12,867	$13,325
State Special School – Severe	1859.78.3	$32,056	$33,197
Automatic Fire Detection/Alarm System – Elementary	1859.78.4	$196	$203
Automatic Fire Detection/Alarm System – Middle	1859.78.4	$196	$203
Automatic Fire Detection/Alarm System – High	1859.78.4	$196	$203
Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.78.4	$540	$559
Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.78.4	$362	$375
Over 50 Years Old – Elementary	1859.78.6	$8,383	$8,681
Over 50 Years Old – Middle	1859.78.6	$8,866	$9,182
Over 50 Years Old – High	1859.78.6	$11,606	$12,019
Over 50 Years Old – Special Day Class – Severe	1859.78.6	$26,720	$27,671
Over 50 Years Old – Special Day Class – Non-Severe	1859.78.6	$17,866	$18,502
Over 50 Years Old – State Special Day School – Severe	1859.78.3	$44,530	$46,115