

April 24, 2012

The Honorable Luis Alejo
28th Assembly District
Room 2137 – State Capitol
Sacramento, CA 95814

**Re: AB 1858 (Alejo) – South Monterey County Joint Union High School District
Emergency Loan: Reduced Interest Rate - SUPPORT**

Dear Assembly Member Alejo:

On behalf of the Monterey County Board of Supervisors and the constituents we represent I write to support AB 1858, your bill to provide much needed financial relief to the South Monterey County Joint Union High School District.

The loan to the SMCJUHSD from the California Infrastructure and Economic Development Bank (I-Bank) authorized in June 2009 by SB 130 carries a current interest rate of 5.44% which amounts to an annual debt service payment of approximately \$1.2 million or \$23.6 million over the life of the loan. By changing the interest rate to 1% as authorized in SB 1240, the District would be able to realize approximately \$445,000 annually in debt service savings, or \$8 million in total. This is good news for a financially-battered school district that will benefit from all the help the state can provide.

Thank you for your willingness to provide this relief to the District, relief that will allow them to focus on improved academic achievement while helping to maintain class sizes conducive to college and career preparations.

Sincerely,

Dave Potter, Chair
Monterey County Board of Supervisors

cc: The Honorable Sam Blakeslee
The Honorable Anthony Cannella
The Honorable Bill Monning
Monterey County Board of Supervisors
Lew C. Bauman, County Administrative Officer, Monterey County
Charles J. McKee, County Counsel, Monterey County
Nicholas E. Chiulos, Director, Intergovernmental and Legislative Affairs, Monterey County
Gail T. Borkowski, Clerk of the Board, Monterey County
Dr. John C. Bernard, Ed. D., State Administrator, South Monterey County Joint Union High
School District
Brent R. Heberlee, Nossaman LLP
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