

MEASURE E

Approval of Measure E does not guarantee that the proposed project or projects in the Milpitas Unified School District that are the subject of bonds under Measure E will be funded beyond the local revenues generated by Measure E. The school district's proposal for the project or projects may assume the receipt of matching state funds, which could be subject to appropriation by the Legislature or approval of a statewide bond measure.

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE E

Upon approval of 55% of the votes cast by voters in an election, California law permits school districts to issue bonds, secured by the levy of ad valorem taxes on property within a district, for the purpose of construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities.

The Board of Trustees of the Milpitas Unified School District proposes issuing bonds in the amount of \$95 million. As identified in the measure, bond proceeds would be used to continue providing high quality education for local students by repairing and upgrading classrooms and science labs, updating learning technology, replacing leaky roofs, providing classrooms for growing student enrollment, upgrading fire and earthquake safety, maximizing energy efficiency, improving disabled access, and repairing, constructing, acquiring or equipping classrooms, sites and facilities.

Proceeds of the bonds could not be used for teacher and administrator salaries or other school operating expenses. The District would conduct annual performance and financial audits, and appoint an independent citizens' oversight committee to ensure bond proceeds are expended as promised and specified.

The District's best estimate of the tax rate to be levied to fund the proposed bond issue is \$50.00 per \$100,000 of assessed valuation during the first fiscal year after the sale of the first series of bonds and during the first fiscal year after the sale of the last series of bonds. The District's best estimate of the highest tax rate that would be required to be levied to fund the bond issue is \$50.00 per \$100,000 per fiscal year of assessed valuation.

A "yes" vote is a vote to authorize the issuance and sale of the bonds in the amount of \$95 million to be secured by the levy of ad valorem taxes on property located within the district.

A "no" vote is a vote not to authorize the issuance and sale of the bonds in the amount of \$95 million to be secured by the levy of ad valorem taxes on property located within the district.

Miguel Marquez
County Counsel

By: /s/ Melissa Kiniyalocts

for Susan B. Swain
Lead Deputy County Counsel

COMPLETE TEXT OF MEASURE E

FULL TEXT BALLOT PROPOSITION OF THE MILPITAS UNIFIED SCHOOL DISTRICT BOND MEASURE ELECTION JUNE 5, 2012

The following is the full proposition presented to the voters by the Milpitas Unified School District.

"To continue providing high quality education for local students by repairing and upgrading classrooms and science labs, updating learning technology, replacing leaky roofs, providing classrooms for growing student enrollment, upgrading fire/earthquake safety, maximizing energy efficiency, improving disabled access, and repairing, constructing, acquiring or equipping classrooms, sites and facilities, shall Milpitas Unified School District issue \$95,000,000 in bonds at legal rates, with citizen oversight, annual audits, no funds for administrator salaries and all funds staying in local schools?"

PROJECT LIST

The Board of Trustees of the Milpitas Unified School District evaluated the District's urgent and critical facility needs, including safety issues, enrollment trends, class size, and computer and information technology, in developing the scope of projects to be funded. The District conducted a facilities evaluation to develop this Project List. Teachers, staff, community members and the Board have prioritized classroom instruction, academic programs, teacher retention and student safety as the most critical factors in addressing facility needs. The Board concluded that if these needs are not addressed now, the problems will only become more pressing. Therefore, in approving this Project List, the Board of Trustees determines that the District should:

- (i) Make sure our classrooms and science labs are clean, well-maintained and safe for students and so that teachers will want to teach here;
- (ii) Update learning technology to prepare students for a 21st century education as well as to attract and retain the best qualified teachers and minimize teacher and staff layoffs due to State budget cuts;
- (iii) Replace aging and broken heating, plumbing and electrical systems and other upgrades to improve energy efficiency and attract state matching funds;
- (iv) Prevent overcrowding by adding classrooms and replacing outdated portable classrooms with permanent classrooms to increase safety and reduce energy expenses;
- (v) Reduce operating costs through energy efficiency and invest the savings to improve academic class offerings;
- (vi) Retain all bond money to be used in our local community and support joint-use facility projects whenever possible.

The Project List includes the following types of projects at the following schools:

Alexander Rose Elementary School
Anthony Spangler Elementary School

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Calaveras Hills High School
Curtner Elementary School
John Sinnott Elementary School
Joseph Weller Elementary School
Marshall Pomeroy Elementary School
Milpitas High School
Pearl Zanker Elementary School
Rancho Milpitas Junior High School
Robert Randall Elementary School
Thomas Russell Junior High School
William Burnett Elementary School
Airpoint Educational Center
Ayer Educational Center
Murphy Property

Basic School Repairs and Upgrades

Goal and Purpose: To maintain a safe, healthful learning environment for students, schools will benefit from basic repairs and upgrades in our schools, including fixing leaky roofs and windows, replacing old and inefficient heating, cooling and plumbing and upgrading fire and seismic safety:

- Repair or replace failing water, sewer and plumbing systems.
- Repair or replace worn or leaky roofs.
- **Upgrade electrical service capacity to relieve overloaded electrical systems so that it can handle modern instructional technology.**
- Upgrade aging school restrooms.
- Replace heating, ventilation, air conditioning and lighting systems with building code compliant, energy efficient systems which will save money on operating costs.
- Upgrade science labs.
- Provide improved, up-to-date computers and computer labs.
- Upgrade and equip classrooms, science labs, multi-purpose rooms, libraries, and educational support spaces so that schools are clean and well-maintained.
- **Upgrade school facilities to improve accessibility for disabled students and teachers.**
- Replace old, portable classrooms and add new classrooms and facilities.
- Repair aging schools.

Health, Safety and Energy Efficiency

Goal and Purpose: Since good, safe and up-to-date schools help protect and improve local property values and reduce maintenance

COMPLETE TEXT OF MEASURE E - Continued

and operating costs returning more money to the classroom, schools and school sites will benefit from a variety of health and safety projects, such as:

- **Upgrade fire and earthquake protection systems.**
- Make schools safe by removing asbestos, lead paint, mold and hazardous materials.
- Upgrade to schools to improve handicap accessibility.
- **Repair or replace old and inefficient lighting, irrigation, heating and ventilation systems which waste money and use the savings to prevent cuts to teacher and instructional programs.**
- Inspect for/repair gas pipe leaks to enhance student and teacher safety.
- Replace/upgrade existing signage, bells and clocks.
- Install/replace/upgrade security fencing to reduce break-ins and vandalism.
- Replace/upgrade existing security systems.
- **Install energy efficient systems to save money and return the savings to the classroom.**
- Install new security systems, such as security (surveillance) cameras, outdoor lighting, fencing, gates and classroom door locks.
- Upgrade emergency communication systems to improve student safety.
- Relocate or improve student drop-off areas for safety, including a separate area for buses.
- **Strengthen and repair schools and classrooms vulnerable to serious damage in a major earthquake, as required by State law.**

District-Wide Wiring and Instructional Technology For Effective Learning Environment

Goal and Purpose: To upgrade science labs, classroom computers, learning technology and infrastructure so that our students are prepared to excel in the 21st century economy:

- Provide and maintain up-to-date technology, data and communication equipment.
- Upgrade and expand wireless systems, telecommunications, Internet and network connections.
- Upgrade and replace computers, hardware and software systems.
- Upgrade and replace classroom furniture, equipment and instructional aids.

COMPLETE TEXT OF MEASURE E - Continued

- Upgrade media and audio/visual equipment.
- Replace or upgrade outdated electrical systems.

Add Classrooms To Avoid Overcrowding At Schools

Goal and Purpose: "To enhance educational programs and prevent overcrowding at some neighborhood schools, expansion of additional earthquake and accessibility code compliant classrooms and facilities, such as:

- Multi-Purpose/assembly rooms, educational support facilities, and classrooms.
- New classrooms/classroom buildings.
- Lunch shelters for outdoor activities.
- Accessibility upgrades as mandated by the Division of the State Architect (DSA).
- Additional electrical service capacity to improve computer technology and internet access.
- Construct new elementary school (subject to land acquisition).

The listed projects will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program/project management, staff training expenses and a customary contingency for unforeseen design and construction costs. In addition to the listed projects stated above, the Project List also includes the acquisition of a variety of instructional, maintenance and operational equipment, including the reduction or retirement of outstanding solar lease obligations and interim funding incurred to advance fund projects from the Project List; installation of signage and fencing; payment of the costs of preparation of all facility planning, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies (including environmental investigation, remediation and monitoring), design and construction documentation, and temporary housing of dislocated District activities caused by construction projects. In addition to the projects listed above, the repair and renovation of each of the existing school facilities may include, but not be limited to, some or all of the following: renovate student and staff restrooms; repair and replace heating and ventilation systems; upgrade of facilities for energy efficiencies; acquire vehicles; repair and replace worn-out and leaky roofs, windows, walls, doors and drinking fountains; install wiring and electrical systems to safely accommodate computers, technology and other electrical devices and needs; upgrade or construct support facilities, including administrative, physical education and performing arts buildings and maintenance yards; repair and replace fire alarms, emergency communications and security systems; resurface or replace hard courts, turf and irrigation systems and campus landscaping; expand parking; acquire land; interior and exterior painting and floor covering; demolition; upgrade pools; construct various forms of storage and support spaces, upgrade classrooms, repair, upgrade and install interior and exterior lighting systems; improve playgrounds, athletic fields and play apparatus; replace outdated security fences and security

COMPLETE TEXT OF MEASURE E - Continued

systems, provide indoor space for assemblies or for rainy day lunch. The upgrading of technology infrastructure includes, but is not limited to, computers, LCD projectors, portable interface devices, servers, switches, routers, modules, sound projection systems, laser printers, digital white boards, document projectors, upgrade voice-over-IP, call manager and network security/firewall, wireless technology systems and other miscellaneous equipment and software. The allocation of bond proceeds will be affected by the District's receipt of State matching funds and the final costs of each project. In the absence of State matching funds, which the District will aggressively pursue to reduce the District's share of the costs of the projects, the District will not be able to complete some of the projects listed above. The budget for each project is an estimate and may be affected by factors beyond the District's control. Some projects throughout the District, such as gyms, fields and performing arts facilities, may be undertaken as joint use projects in cooperation with other local public or non-profit agencies. The final cost of each project will be determined as plans and construction documents are finalized, construction bids are received, construction contracts are awarded and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating more enhanced and operationally efficient campuses. Necessary site preparation/restoration may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to bond projects. Bond proceeds shall only be expended for the specific purposes identified herein. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.

FISCAL ACCOUNTABILITY: IN ACCORDANCE WITH EDUCATION CODE SECTION 15272, THE BOARD OF TRUSTEES WILL APPOINT A CITIZENS' OVERSIGHT COMMITTEE AND CONDUCT ANNUAL INDEPENDENT AUDITS TO ASSURE THAT FUNDS ARE SPENT ONLY ON DISTRICT PROJECTS AND FOR NO OTHER PURPOSE. THE EXPENDITURE OF BOND MONEY ON THESE PROJECTS IS SUBJECT TO STRINGENT FINANCIAL ACCOUNTABILITY REQUIREMENTS. BY LAW, PERFORMANCE AND FINANCIAL AUDITS WILL BE PERFORMED ANNUALLY, AND ALL BOND EXPENDITURES WILL BE MONITORED BY AN INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE TO ENSURE THAT FUNDS ARE SPENT AS PROMISED AND SPECIFIED. THE CITIZENS' OVERSIGHT COMMITTEE MUST INCLUDE, AMONG OTHERS, REPRESENTATION OF A BONA FIDE TAXPAYERS ASSOCIATION, A BUSINESS ORGANIZATION AND A SENIOR CITIZENS ORGANIZATION. NO DISTRICT EMPLOYEES OR VENDORS ARE ALLOWED TO SERVE ON THE CITIZENS' OVERSIGHT COMMITTEE.

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COMPLETE TEXT OF MEASURE E - Continued

NO ADMINISTRATOR SALARIES: PROCEEDS FROM THE SALE OF THE BONDS AUTHORIZED BY THIS PROPOSITION SHALL BE USED ONLY FOR THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, REHABILITATION, OR REPLACEMENT OF SCHOOL FACILITIES, INCLUDING THE FURNISHING AND EQUIPPING OF SCHOOL FACILITIES, AND NOT FOR ANY OTHER PURPOSE, INCLUDING TEACHER AND SCHOOL ADMINISTRATOR SALARIES AND OTHER OPERATING EXPENSES.

TAX RATE STATEMENT MILPITAS UNIFIED SCHOOL DISTRICT

An election will be held in the Milpitas Unified School District (the "District") on June 5, 2012, to authorize the sale of up to \$95,000,000 in bonds of the District to finance school facilities as described in the proposition. If the bonds are approved, the District plans to issue the bonds in a number of series over a period of time. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The information presented in numbered paragraphs 1-3 below is provided in compliance with Sections 9400-9404 of the Elections Code of the State of California.

Based upon the foregoing and projections of the District's assessed valuation, and assuming the entire debt service will be amortized through property taxation:

1. The best estimate of the tax rate which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is 5.00 cents per 100 (\$50.00 per \$100,000) of assessed valuation in the fiscal year 2012-13.
2. The best estimate of the tax rate which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on estimated assessed valuations available at the time of filing of this statement is 5.00 cents per 100 (\$50.00 per \$100,000) of assessed valuation in the fiscal year 2016-17.
3. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is 5.00 cents per 100 (\$50.00 per \$100,000) of assessed valuation in the fiscal year 2012-13.

The tax rate estimates in this statement reflect the District's current projection of future assessed values and of future debt service payments, which are based on certain assumptions. Approval of the ballot measure authorizes the issuance of bonds under certain conditions and for certain purposes, and is not approval of a specific tax rate or a specific plan of bond issuance. The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount and repayment structure of bonds sold, market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount and repayment structure of bonds sold at any given time will be determined by the District based on its need for construction funds, its intention to meet the tax rate targets stated above, the legal limitations on bonds approved by a 55% vote and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process.

TAX RATE STATEMENT - Continued

Voters should note that the estimated tax rates are based on the ASSESSED VALUE of taxable property in the District as shown on the County's official tax rolls, not on the property's market value. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

ARGUMENT IN FAVOR OF MEASURE E

Vote YES on E to repair and upgrade our schools and provide the safe, modern classrooms, science labs and technology that local Milpitas students need to succeed in our competitive, high-tech 21st century world.

Student achievement has been increasing steadily in local schools. Families are drawn to our community due to our great schools. With excellent teachers and rigorous academic programs, students excel on statewide exams and are prepared for the future.

To continue strong academic success, Milpitas students need safe classrooms to prepare for college and future careers. Measure E will complete critical repairs and upgrades to our aging schools to support the top quality education local students deserve and our community expects.

We simply cannot rely on the State to repair our schools. That is why your YES vote is critical. Measure E is a modest measure and will fund only the most urgent repair needs in our schools.

Measure E will support academic success in local classrooms by:

- Replacing or repairing leaky roofs
- Upgrading fire and earthquake safety
- Keeping schools clean and well-maintained
- Preventing overcrowding by providing additional classrooms and facilities
- Updating learning technology and infrastructure
- Repairing and upgrading classrooms and science labs

Strong fiscal accountability ensures all funds repair and upgrade Milpitas schools

- Not one penny can be taken away by the State
- None of the funds can be spent on administrators' salaries
- Measure E qualifies our schools for state matching funds that would not otherwise be available
- Independent citizens' oversight and annual audits ensure every penny is spent as promised

Good schools make Milpitas a desirable place to live and protect property values for everyone, even those of us who no longer have children in school.

ARGUMENT IN FAVOR OF MEASURE E - Continued

Join parents, community leaders and teachers—Vote YES on E to continue student success in Milpitas schools.

/s/ Jeffrey S. Lamb

Milpitas High School Teacher for 32 years

/s/ William D. Weisgerber

Former Milpitas Mayor

/s/ Robert H. Jung

CEO, President of the Board, Milpitas Community Educational Endowment

/s/ Syed Mohsin

Community Advisory Commissioner

/s/ Brenda J. Hee Wong

Longtime Resident/Milpitas High Hall of Fame Recipient

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE E

Here is **HOW VOTERS ARE "SOLD" ON SCHOOL BOND MEASURES**:

(1) The school district hires consultants to conduct a **POLL** of likely voters to encourage and gauge support for a bond measure and to help write the language of the measure to appear specific yet give the district **WIDE LATITUDE** in using the money received from the sale of the bonds.

An examination of the ballot language of Measure E reveals, for example, that some or all of the money could be used to "**ACQUIRE**" new "**SITES**" that could be **RENTED OUT** to generate operating expenses.

(2) After the measure has been placed on the ballot, the district uses public funds to advance passage of the measure by mailing out its own summary.

(3) Next, money is collected by a campaign committee from school district employees and other **SPECIAL INTERESTS** that hope to **BENEFIT FINANCIALLY** from use of the bond money.

(4) At the same time, the campaign committee seeks endorsements from politicians and other "community leaders" and attempts to identify supporters who will be reminded to vote.

Under a statewide measure approved by California voters in 2000 (Proposition 39), a school bond measure will pass with the support of only 55% of those voting. If only 30% of registered voters cast ballots, then a mere 17% can carry the day.

You are not required to vote - but property owners (and their renters) will be required to **PAY** back, with interest, every dime borrowed.

/s/ W. Dito

ARGUMENT AGAINST MEASURE E

Measure E would authorize the local elementary school district to borrow money by selling **\$95 million** in general obligation bonds "at legal rates" of interest. The amount of interest to be paid to bondholders would depend upon interest rates at the time of sale. The bonds would be repaid, with interest, through higher property taxes over 30 years.

Milpitas property owners (and renters through rent payments) are still paying for the last \$65 million bond measure proposed by the elementary school district in 1998. In the past, California school districts have been able to obtain matching funds from the State, and the total amassed by the Milpitas District was about **\$100 million**.

The advocates of this measure should explain to voters precisely how that **\$100 million** was spent and why another **\$95 million** is needed now.

/s/ W. Dito

REBUTTAL TO ARGUMENT AGAINST MEASURE E

Measure E supporters know that high quality education is essential for Milpitas students. Measure E will provide the safe classrooms, 21st-century educational technology and modern science labs students need for today's competitive economy.

Nearly 20 years ago, our community came together to support our schools and students—81.6% of Milpitans voted YES to complete a limited and specific list of school repairs. Always fiscally responsible, the Milpitas Unified School District secured state matching funds to maximize bond projects. View the Citizen Oversight Committee's report at www.MUSD.org. All voter-approved projects were completed on time and on budget.

Because our community consistently supports our schools, student achievement has improved dramatically over the last 20 years. Local student test scores are now among the top 10% in the state.

That is why we are united again to vote YES on E. Measure E is not a long wish list—it includes only the most urgent updates and repairs, which were not included in the 1996 measure.

Vote YES on E to fix leaky roofs; replace old and inefficient heating, cooling and plumbing; and upgrade fire and seismic safety to provide a safe, healthy learning environment.

Measure E will upgrade science labs and academic technology so that Milpitas students are prepared for college and careers.

Measure E is fiscally responsible, requiring annual audits and citizen oversight. NO funds can be used for administrators' salaries.

Our excellent schools help make our community a wonderful place to live. Join us, vote YES on E.

/s/ Rajeev Madnawat
Citizen of the Year 2012

/s/ Diane E. Whalen
Rancho Milpitas Middle School Math/Science teacher

/s/ Julie McMullen
President, Milpitas Unified Council of PTAs

/s/ Robert Paedon
Past President Milpitas Chamber of Commerce

/s/ Michael J. Mendizabal
Past Chair MUSD Bond Oversight Committee