

MEASURE H

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE H

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 Education (Board) of the San Jose Unified School District (District) proposes issuing bonds in the amount of up to \$290 million. As identified in the measure, bond proceeds would be used to complete repairs and upgrades to provide facilities equity among all of the District's schools, including, but not limited to (1) updating technology and science labs; (2) completing basic and necessary repairs; (3) upgrading classrooms to improve energy efficiency; and (4) paying off Certificates of Participation and facility leases.

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 \$28.80 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 \$28.80 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 \$290 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 \$290 million to be secured by the levy of ad valorem taxes on property located within the district.

Lori E. Pegg
Acting County Counsel

By: /s/ Susan Swain
Lead Deputy County Counsel

COMPLETE TEXT OF MEASURE H

On May 17, 2012, the Board of Education of the San Jose Unified School District (the adopted the OPPORTUNITY21: 2012-2017 Strategic Plan ("Opportunity21") to lay out its vision for the District's educational program, with a focus on ensuring that all students are prepared to excel in 21st Century society. The Board believes that a bond measure will help ensure that the educational vision of Opportunity21 can be achieved over time and that all students have access to state-of-the-art educational facilities and that all schools in the District have up-to-date science labs, career training facilities, computers and learning technology and high quality teachers and staff are attracted and retained.

In order to continue providing equity for all students and improving education in all of the District's schools, the Board's priority is to complete repairs and upgrades that will benefit all of the District's schools, including:

- (i) Ensure that all schools are equipped with up-to-date computers, learning technology, and grade-level appropriate science labs and career training facilities so that students are prepared to excel in 21st Century society in keeping with the skills and learning outcomes identified in Opportunity21;
- (ii) Complete basic and necessary repairs and upgrades to District schools to provide a safe, healthful learning environment for all students;
- (iii) Upgrade classrooms and improve energy efficiency to save money that can be used to maintain quality academic programs and retain teachers;
- (iv) Ensure that facilities are up to date and safe so that qualified teachers continue to want to teach in our schools;
- (v) Reduce operating costs by acquiring, improving and/or installing more cost efficient energy systems, paying off Certificates of Participation/facility leases, and making other improvements.

Schools requiring renovation will be upgraded on a priority basis. By approval of the proposition set forth in Exhibit A as the Summary of Ballot Measure, by at least 55% of the registered voters voting thereon, the San Jose Unified School District shall be authorized to issue and sell bonds of up to \$290,000,000 in aggregate principal amount to provide financing for the specific school facilities projects listed in the Bond Project List, subject to all of the accountability safeguards specified herein.

ACCOUNTABILITY MEASURES

The provisions in this section are included in this proposition in order that the voters and taxpayers of the District may be assured that their money will be spent to address specific facilities needs of the District, all in compliance with the requirements of Article XIII A, section 1(b)(3) of the State Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at section 15264 *et seq.* of the California Education Code).

**TAX RATE STATEMENT
SAN JOSE UNIFIED SCHOOL DISTRICT**

An election will be held in the San Jose Unified School District (the "District") on November 6, 2012, to authorize the sale of up to \$290,000,000 in bonds of the District to finance school facilities as described in the proposition. If the bonds are approved, the District expects to sell the bonds in several series over 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 following tax rate information is provided in compliance with Sections 9400-9404 of the Elections Code of the State of California.

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 \$0.02880 per \$100 (\$28.80 per \$100,000) of assessed valuation in fiscal year 2013-14.

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 \$0.02880 per \$100 (\$28.80 per \$100,000) of assessed valuation in fiscal year 2018-19.

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 this statement, is \$0.02880 per \$100 (\$28.80 per \$100,000) of assessed valuation in fiscal year 2013-14.

Voters should note that these estimated tax rates are based on the assessed value of taxable property in the District as shown on the official tax rolls of Santa Clara County, not on the property's market value. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills and tax advisors to determine their property's assessed value and any applicable tax exemptions.

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 of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The estimates are based upon the District's projections and are not binding upon the District. The dates of sale and the amount of bonds sold at any given time will be determined by the District based on the need for construction funds 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 Santa Clara County Assessor in the annual assessment and the equalization process.

Dated: August 9, 2012

/s/ Vincent C. Matthews
Ed.D., Superintendent
San Jose Unified School District

ARGUMENT IN FAVOR OF MEASURE H

In today's competitive, 21st-century economy, students in our local San Jose neighborhood schools must be prepared to excel—that's why we urge you to vote YES on H.

Measure H improves classrooms and labs, preparing students for college and careers.

By upgrading science facilities, classrooms and technology, Measure H supports career training and college preparatory programs for our future Silicon Valley workforce.

The State cannot take away one penny of Measure H funds.

Due to billions of dollars in State budget cuts, our schools face an annual budget shortage of \$15 million. We can't rely on the State to improve our schools—Measure H is the solution.

Measure H saves \$5 million annually to support academic programs and retain teachers.

By repairing classrooms, improving energy efficiency, upgrading inefficient heating and cooling systems and paying off leases, our schools will save millions that can be used to retain teachers, keep educational staff and protect math, science, reading and writing programs.

Measure H ensures students have safe classrooms and 21st-century technology.

While some local schools have been renovated, others have not. Measure H repairs old classrooms and labs, and updates technology so students are trained for our evolving job market.

Measure H will:

- Improve programs to prepare students for jobs and careers
- Improve energy efficiency to save money to protect academic programs
- Keep schools clean and well-maintained
- Modernize science facilities and classrooms
- Upgrade classroom technology for all students
- Improve student safety and security

Strong Fiscal Accountability Is Included

- All funds stay in local schools—not one penny can be taken by the State
- Independent citizen oversight and annual, third-party audits are required
- No funds for administrators' salaries, pensions or benefits

ARGUMENT IN FAVOR OF MEASURE H - Continued

Vote YES on H to improve educational opportunities for all neighborhood students: the future Silicon Valley workforce.

/s/ Susan W. Hammer
Former Mayor of San Jose

/s/ Fernando R. Zazueta
Co-Founder, Mexican Heritage Corporation of San Jose

/s/ David Ginsborg
Founder, CA League of Bond Oversight Committees, Willow Glen Elementary School Parent

/s/ Christine Gray
Former PTA Council President, Parent of Gunderson High School & San Jose High School Graduates

/s/ Carl Salas
San Jose Business Owner

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE H

When school boards put bond measures like Measure H before the voters, what are they saying? They are admitting that everything they are spending your tax dollars on now, is more important than the projects for which this tax increase is being sought. Budgets set priorities. San Jose Unified School District is saying **that every educational dollar spent today is going to something they consider a higher priority than to "Improve student safety and security" and "Upgrade classroom technology for all students."**

Do you agree?

Education Data Partnership (www.Ed-Data.K12.ca.us) shows the District's enrollment increasing from 32,423 students during the 2009-10 school year, to 33,018 during 2010-11. And the number of teachers has declined from 1,571.2 full-time-equivalent teachers, down to 1,521.3.

Since students are increasing (more revenue) and teachers are declining (less expense), that should allow more funds from the current budget to be applied to basic maintenance of the schools. In fact, you and I take care of our homes, our condos, and even our apartments out of our yearly budgets. Why can't the San Jose Unified School District do the same?

School bonds are much like mortgages, in that they have to be paid back, in full—plus interest. Lots and lots of interest. Interest payments that don't go to teachers, library books, computers, maintenance, etc.

Is this the best use of your tax dollars?

If your answer is "no," please vote NO on Measure H.

You can be for schools, for students, for teachers, and against Measure H.

For more information: www.SVTaxpayers.org/san-jose

/s/ John W.S. Roeder
President, Silicon Valley Taxpayers Association

/s/ Edward Leo Wimmers
Chair, Libertarian Party of Santa Clara County

ARGUMENT AGAINST MEASURE H

When school boards put bond measures like Measure H before the voters, they are admitting that everything they are currently spending your tax dollars on now is more important than the projects for which this tax increase is being sought. School budgets set priorities. **They are saying every educational dollar spent today has a higher priority than spending to provide "up-to-date computers, learning technology, and grade-level appropriate science labs"**

Do you agree?

According to the 2011 STAR test results, there are at least 6,914 students in the district, which means the bond expense is \$43,137 per student before adding interest costs. When you buy a home, truth in lending laws require you be informed about the real cost of buying a home. Consumer laws should apply to bond issues. For example borrowing \$290,000,000 and paying 3 percent interest for 25 years means annual payments of **\$16,502,520** in principle and interest payments for total lifetime cost of **\$412,563,000**. As a consumer, you deserved to know the full truth about measure H.

Instead of paying **\$16,502,520 (principle & interest)** a year to provide "up-to-date computers", your educational dollars will go to big banks, investment brokers, and other wealthy people to be used as a tax shelter. Is this the best use of your tax dollars?

What's more important to you?

1. Spending \$16,502,520 a year on "up-to-date computers" and "grade-level appropriate science labs"?
2. Spending \$16,502,520 a year to fund tax shelters for big banks, investment brokers, and the rich.

If you value "up-to-date computers" more than funding tax shelters, vote NO on Measure H.

If you value "grade-level appropriate science labs" more than making interest payments for 25 years, vote NO on Measure H.

Want more? <http://www.svtaxpayers.org/san-jose>

/s/ John W.S. Roeder
President, Silicon Valley Taxpayers Association

/s/ Edward Leo Wimmers
Chair, Libertarian Party of Santa Clara County

REBUTTAL TO ARGUMENT AGAINST MEASURE H

Unlike the authors of the argument against Measure H, we believe that the successful futures of neighborhood elementary, middle and high school students are our community's top priority.

Unfortunately, these naysayers—who regularly oppose all school measures—got their math wrong. Our local school district educates over 33,000 students and every one of them deserves a great public education to become Silicon Valley leaders.

It's clear that State budget cuts have severely impacted our schools, creating a \$15 million annual budget shortfall. As a result, our local school district has been forced to cut academic programs, reduce educational staff and librarians, increase class sizes and shorten the school year.

We must protect and restore educational priorities in our schools with Measure H to improve education for all students.

Measure H is targeted to our top priority: preparing all students for success in high school, college and careers.

- The State cannot take a single penny of Measure H funds
- Citizen oversight and annual audits ensure funds are spent wisely
- No funds can be used for administrators' salaries, pensions or benefits

Measure H is a smart solution, helping our schools save \$5 million annually for critical educational programs and classroom instruction. It also completes necessary school safety repairs, improves science labs and provides updated technology.

By making our neighborhood schools a priority, our entire community benefits. Good schools make safe neighborhoods and strengthen property values.

We have our priorities straight: join us and vote YES on Measure H.

/s/ Mark L. Walker
Almaden Valley Resident

/s/ Holly Barr
Willow Glen area Realtor

/s/ Stephen Novotny
Retired San Jose High School Technology Teacher

/s/ Michael Smith
Former Chair, SJUSD Measure C/F; Citizens Bond Oversight Committee