

## MEASURE I

Approval of Measure I does not guarantee that the proposed project or projects in the East Side Union High School District that are the subject of bonds under Measure I will be funded beyond the local revenues generated by Measure I. 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 I

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 (Board) of the East Side Union High School District (District) proposes issuing bonds in the amount of \$120 million. As identified in the measure, purposes for which the bond proceeds would be used include (1) upgrading computer/science labs; (2) improving security/safety; (3) repairing, equipping and constructing classrooms/facilities at specified District schools; and (4) acquiring property for new schools.

Proceeds of the bonds would be deposited into a building fund held by the County treasurer and could not be used for teacher and administrator salaries or other school operating expenses. The District would conduct performance and financial audits, and appoint an independent citizens' oversight committee to ensure bond proceeds are expended as promised.

The District's best estimate of the tax rate to be levied to fund the proposed bond issue is \$5.04 per \$100,000 during the first fiscal year after the sale of the first series of bonds. The District's best estimate of the tax rate to be levied to fund the proposed bond issue is \$13.76 per \$100,000 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 \$13.76 per \$100,000 per fiscal year of assessed valuation. The District's best estimate of the average tax rate that would be required to be levied to fund the bond issue is \$9.19 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 \$120 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 \$120 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 I

### BALLOT MEASURE FULL TEXT OF MEASURE

To upgrade computer/science labs; improve security/safety; repair, equip, and construct classrooms/facilities at Andrew Hill, Calero, Evergreen Valley, Foothill, Independence, James Lick, Mt. Pleasant, Oak Grove, Piedmont Hills, Santa Teresa, Silver Creek, Yerba Buena, W.C. Overfelt, and District adult, alternative, and charter schools; and acquire property for new schools, shall East Side Union High School District issue \$120,000,000 of bonds with interest rates below legal limits and no funds for administrator salaries or taken by the State?

Bonds-Yes

Bonds-No

### BOND AUTHORIZATION

By approval of this proposition by at least 55 percent of the registered voters voting on the proposition, the District will be authorized to issue and sell bonds of up to \$120 million in aggregated principal at interest rates below the legal limit and to provide financing for the specific school facilities projects listed in the Bond Project List described below, subject to all the accountability requirements specified below.

The Bonds may be issued under the provisions of the California Education Code (starting at Section 15100), under the provisions of the California Government Code (starting at Section 53506), or under any other provision of law authorizing the issuance of general obligation bonds by school districts. The Bonds may be issued in series by the District from time to time, and each series of Bonds shall mature within the legal limitations set forth in the applicable law under which the Bonds are issued.

### ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers in the District may be assured that their money will be spent wisely. Expenditures to address specific facilities needs of the District will be 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 Education Code Sections 15264 and following.)

**Evaluation of Needs.** The School Board has identified detailed facilities needs of the District and has determined which projects to finance from a local bond at this time. The School Board hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the Bond Project List shown below.

**Independent Citizens' Oversight Committee.** The School Board shall establish an Independent Citizens' Oversight Committee under Education Code Section 15278 and following to ensure that bond proceeds are expended only on the school facilities projects listed below. The committee will be established within 60 days of the date when the results of the election appear in the minutes of the School Board.

## COMPLETE TEXT OF MEASURE I - Continued

**Performance Audits.** The School Board shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed below.

**Financial Audits.** The School Board shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed below.

### FURTHER SPECIFICATIONS

**No Administrator Salaries.** Proceeds from the sale of bonds authorized by this measure shall be used only for the construction, reconstruction and/or rehabilitation of school facilities including the furnishing and equipping of school facilities or acquisition or lease of real property for school facilities and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

### BOND PROJECT LIST

**Projects Subject to Available Funding.** The following list of projects is subject to the availability of adequate funding to the District. Approval of the bond measure does not guarantee that the proposed projects in the District that are the subject of bonds under the measure will be funded beyond the local revenues generated by the bond measure. The District's proposal for the 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.

**Scope of Projects.** Bond proceeds will be expended to modernize, replace, renovate, construct, acquire, equip, furnish, rebuild and otherwise improve educational and support facilities within the District. Projects which are described below include all related and incidental costs, including their share of the costs of the election and bond issuance and costs of design, engineering, architect and other professional services, inspections, site preparation, utilities, landscaping, construction management and other planning, legal, accounting and similar costs, independent annual financial and performance audits, a customary construction contingency, and other costs incidental to and necessary for completion of the listed projects.

Bond proceeds may also be expended to acquire real property (or any interest in real property) for future educational and support facilities and to acquire and install furniture, fixtures and equipment at any classrooms and other educational facilities within the District. The District may alter the scope and nature of any of the specific projects which are described below as required by conditions that arise during the course of design and construction.

Whenever specific items are included in the following list, they are presented to provide examples and are not intended to limit the generality of the broader description of authorized projects. The order in which particular projects are listed is not intended to indicate priority for funding or completion.

### BOND PROJECT LIST

Bond proceeds will be expended to modernize, replace, renovate, construct, acquire, equip, furnish and otherwise improve the facilities of the District located at the following locations:

## COMPLETE TEXT OF MEASURE I - Continued

- Andrew Hill High - Built in 1956
- Evergreen Valley High - Built in 2001
- Overfelt Adult Center - Built in 1986
- Piedmont Hills High - Built in 1965
- Foothill High - Built in 1972
- Independence High - Built in 1976
- Independence Adult Center - Built in 1988
- Santa Teresa High - Built in 1974
- Silver Creek High - Built in 1969
- Yerba Buena High - Built in 1971
- James Lick High - Built in 1950
- Mt. Pleasant High - Built in 1965
- Oak Grove High - Built in 1967
- W.C. Overfelt High - Built in 1962
- Calero High
- Alternative Education Centers

Such projects shall include, but shall not be limited to:

- Improve energy efficiency in the District including, but not limited to replacing and upgrading heating, ventilation, and air conditioning (HVAC) systems with energy efficient systems.
- Install cutting edge instructional technology infrastructure to improve student access to computers and modern technology
- Maintenance improvements to classrooms and school facilities including, but not limited to, upgrades to electrical and storm drain systems, and master clocks.
- Classroom and school facilities upgrades including, but not limited to, improvements to playgrounds and equipment and expansion of counseling centers.
- Install security fencing, cameras, and lighting systems to ensure campuses are adequately secured.
- Conduct necessary site preparation/restoration in connection with new construction, renovation or remodeling, or installation or removal of portable classrooms.
- Address unforeseen conditions revealed by construction/modernization (e.g., plumbing or gas line breaks, dry rot, seismic, structural, etc.).
- Furnish and equip schools as needed to the extent permitted by law.
- Install utility improvements to help reduce operating expenditures.
- Modify/expand student pick-up/drop-off locations to ensure greater efficiency and safety.
- Utilize bond interest to provide a technology equipment replacement program.

### Accountability Measures

As required by Section 53410 of the Government Code, the following accountability measures are hereby made a part of the District's Bond Measure I (the "Bond Measure"):

- (a) The specific purpose of the Bonds is set forth in the Full Text of the Bond Measure;



**COMPLETE TEXT OF MEASURE I - Continued**

- (b) The proceeds from the sale of the District's bonds will be used only for the purposes specified in the Bond Measure, and not for any other purpose;
- (c) The proceeds of the Bonds will be deposited into a Building Fund to be held by the Santa Clara County Treasurer, as required by the California Education Code; and
- (d) The Superintendent of the District shall cause an annual report to be filed with the Board of Trustees of the District, the first report to be filed not later than one year after the issuance of the first series of the Bonds, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in the Bond Measure, as required by Sections 53410 and 53411 of the Government Code.

**EAST SIDE UNION HIGH SCHOOL DISTRICT  
TAX RATE STATEMENT FOR BOND MEASURE I  
ELECTION TO BE HELD NOVEMBER 6, 2012**

An election will be held in East Side Union High School District (the "District") on November 6, 2012 to authorize the sale of \$120,000,000 in general obligation bonds. The following information is submitted in compliance with Sections 9400-9404 of the California Elections Code.

1. The best estimate of the tax rate that would be required 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 \$.00504 per \$100 (\$5.04 per \$100,000) of assessed valuation in fiscal year 2013-14.

2. The best estimate of the tax rate that would be required 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 \$.01376 per \$100 (\$13.76 per \$100,000) of assessed valuation in fiscal year 2017-18.

3. The best estimate of the highest tax rate that would be required to fund this bond issue, based on estimated assessed valuations available at the time of filing this statement, is \$.01376 per \$100 (\$13.76 per \$100,000) of assessed valuation.

4. The best estimate of the average tax rate that would be required to fund this bond issue, based on estimated assessed valuations available at the time of filing this statement, is \$.00919 per \$100 (\$9.19 per \$100,000) of assessed valuation.

These estimates are based on projections derived from information obtained from official sources. The actual tax rates and the years in which they will apply may vary depending on the timing of bond sales, the amount of bonds sold at each sale and actual increases in assessed valuations. The timing of the bond sales and the amount of bonds sold at any given time will be determined by the needs of the District. Actual assessed valuations will depend upon the amount and value of taxable property within the District as determined in the assessment and the equalization process.

### ARGUMENT IN FAVOR OF MEASURE I

Our local public schools are a critical community asset and should be our **number one** priority. From higher achieving students to stimulating our local economy to improved housing values, investing in our schools makes a difference.

In February 2008, voters overwhelmingly passed a bond to improve our local high schools. Since that time, renovations have brought hundreds of classrooms up to 21st century education and technology standards. The results are evident. Even in the face of challenging budget cuts, test scores at every comprehensive high school in the District have risen.

But much remains to be done. Your YES vote on Measure I will let us continue the job of providing quality educational facilities while still protecting taxpayers. Here's how:

**Measure I will improve our children's classrooms and schools by:**

- Upgrading classrooms with up-to-date computers and technology
- Constructing new classrooms to reduce student overcrowding
- Upgrading computer labs throughout the District
- Repairing and modernizing aging school classrooms/facilities throughout the District
- Modernizing libraries
- Meeting restroom and classroom handicap accessibility (ADA) requirements
- Installing cutting edge instructional technology infrastructure

**Measure I makes financial sense and has taxpayer protections in place:**

- No funds can be spent on administrative salaries, benefits or pensions
- All expenditures will be reviewed by an independent citizens' oversight committee and annually audited
- Interest rates are at an historic low. By borrowing at these lower rates, taxpayers will save tens of millions of dollars in interest
- By law, Measure I funds **MUST** be used for our children's schools and **CANNOT BE TAKEN AWAY BY THE STATE AND SPENT ELSEWHERE!**

Measure I will improve our children's education, help maintain housing values, stimulate our local economy, and save taxpayers millions of dollars in interest.

### ARGUMENT IN FAVOR OF MEASURE I - Continued

Please join us by voting YES on Measure I.

/s/ Carl Guardino  
President/CEO Silicon Valley Leadership Group

/s/ Neil Struthers  
CEO, Santa Clara & San Benito Counties Building and Construction Trades

/s/ Thanh T. Bui  
President/East Side Vietnamese Parent Association

/s/ Jethroe Moore II  
President, San Jose/Silicon Valley NAACP

/s/ Patricia Carrillo  
Chairperson, Save Our Sports

## REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE I

When school boards put bond measures like Measure I 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. East Side Union High School District is saying every educational dollar spent today is going to something they consider a higher priority than "modernizing libraries" and "upgrading computer labs throughout the District."

Do you agree?

Education Data Partnership ([www.Ed-Data.K12.ca.us](http://www.Ed-Data.K12.ca.us)) shows the District's enrollment declining from 26,915 students during the 2009-10 school year, to 25,676 during 2010-11. And the number of teachers has declined from 1,171.9 full-time-equivalent teachers, down to 1,083.8.

Since the numbers of both students and teachers are down, expenses should be down, too. 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 East Side Union High 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 I.

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

For more information: [www.SVTaxpayers.org/east-side](http://www.SVTaxpayers.org/east-side)

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

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

## ARGUMENT AGAINST MEASURE I

East Side Union High School District wants approval of \$120 million in bonds because school administrators have failed to properly prioritize and spend our property tax revenue for far too long. The School District needs to reform its spending practices so that the students, not the adults, receive the benefit from our tax money. Vote NO on Measure I.

The School District Budget Task Force has made dozens of recommendations to spend our money more effectively and efficiently. But there is no evidence the School District has accepted those recommendations or made significant changes to its budget-busting spending habits. Instead, the School District wants our permission to borrow \$120 million to be spent by the same people who have caused the financial crisis our schools now face.

Unless or until the School District reforms itself and its soaring administrative, salary, and benefit expenses, it has not earned our trust with even more of our money. Property taxes will go up if Measure I passes. Tight controls need to be put in place so that our children directly benefit from the money already received by the School District before more money is thrown at the problems caused by the people who caused those problems and now claim to have the solution through higher taxes.

If Measure I passes, our community will be liable for interest expenses for up to 40 years on \$120 million in bonds. Before incurring that debt, we need school administrators to demonstrate a level of responsibility and ethics that is currently missing.

Vote NO on Measure I.

For more information, visit [www.SVTaxpayers.org/east-side](http://www.SVTaxpayers.org/east-side)

/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 I

Do not be misled by the argument against Measure I. East Side Union High School District students will receive all of the benefits from Measure I because 100% of the funds will go to improving **OUR STUDENT'S CLASSROOMS AND SCHOOLS**. Here are the real facts:

- No funds can be spent on administrative salaries, benefits or pensions.
- An independent citizens' oversight committee will be legally required to ensure that all Measure I funds are spent as promised to the voters.
- By law, Measure I funds must be used for **OUR LOCAL SCHOOLS** and cannot be taken away by the State and spent elsewhere. This guarantees that all funds will stay in **OUR COMMUNITY** to benefit our students.
- Interest rates are at a historic low. By borrowing at these lower rates, taxpayers will be able to save millions of dollars in interest costs.
- A good education is priceless. Measure I is affordable and will only cost the average homeowner about \$2.72 a month.

Remember, these are **OUR COMMUNITY'S SCHOOLS**. They benefit everyone and are a resource that we must protect.

And the benefits of strong public schools go beyond just education. Strong schools help protect housing values, create a stronger local economy and lead to safer neighborhoods.

Providing a quality education for our children is one of the most important gifts we can give them. They are the leaders of tomorrow and need our support.

**Please join us and vote YES on Measure I**

/s/ Muhammed Chaudhry  
President & CEO, Silicon Valley Education Foundation

/s/ Hoa Trung Nguyen  
Chairman, Vietnamese Parent Association of Santa Clara County

/s/ Rose Amador  
President, Center for Training and Careers

/s/ Jon D. Reinke  
Former Chairman, ESUHSD Citizens Bond Oversight Committee

/s/ Andres Quintero  
Vice Chair, San Jose International Airport Commission