

MEASURE J

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

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 Alum Rock Union Elementary School District (District) proposes issuing bonds in the amount of \$125 million. As identified in the measure, bond proceeds would be used to (1) improve neighborhood schools by removing mold and asbestos; (2) fix leaky, deteriorated roofs; (3) replace inefficient/aging heating, venting and electrical systems to save money; (4) improve fire safety/security; (5) update computer technology/science labs; (6) repair aging restrooms; and (7) acquire, construct and repair sites/facilities.

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 \$30.00 per \$100,000 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 \$30.00 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 \$125 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 \$125 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 J

To improve neighborhood schools by removing mold and asbestos; fixing leaky, deteriorated roofs; replacing inefficient/aging heating, ventilation, and electrical systems to save money; improving fire safety/ security; updating computer technology/ science labs for 21st century learning; repairing aging restrooms; and acquiring, constructing, and repairing sites/ facilities, shall Alum Rock Union Elementary School District issue \$125 million in bonds at legal rates with required independent financial audits, citizens' oversight and no money for administrators' salaries?

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 \$125 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 J - Continued

- (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.

**TAX RATE STATEMENT
ALUM ROCK UNION ELEMENTARY SCHOOL DISTRICT
BOND MEASURE J**

An election will be held in the Alum Rock Union Elementary School District (the "District") on November 6, 2012, on the question of whether to authorize up to \$125,000,000 in bonds to be issued by the District to finance school facilities as described in the ballot measure. Principal and interest on the bonds will be paid from taxes levies on the taxable property in the District. The information contained in numbered paragraphs 1 - 3 below is provided in compliance with Section 9401 of the Elections Code of the State of California. This information is based on the best estimates and projections presently available from official sources, experience within the District and other demonstrable factors.

1. The best estimate of the tax 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 \$.03000 per \$100 of assessed valuation, which equates to \$30.00 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 \$.03000 per \$100 of assessed valuation, which equates to \$30.00 per \$100,000 of assessed valuation in fiscal year 2028-29.

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 \$.03000 per \$100 of assessed valuation, which equates to \$30.00 per \$100,000 of assessed valuation in every year.

Voters should note that the estimated tax rates are based on the ASSESSED VALUE of taxable property 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.

The attention of all voters is directed to the fact that the foregoing information is based upon the District's projections and estimates only, which are not binding upon the District. 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 dates of sale and the amount of bonds sold at any given time will be determined by the District based on its need for construction funds and other factors, including the legal limitations on bonds approved by a 55% vote. 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.

Submission of the foregoing statement has been approved by the Alum Rock Union Elementary School District.

/s/ Stephen Fiss, Superintendent
Alum Rock Union Elementary School District

ARGUMENT IN FAVOR OF MEASURE J	REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE J
<p>Vote YES on J to repair and modernize local schools in the Alum Rock Union Elementary School District to ensure that all students learn in safe, modern classrooms. Measure J invests in a better future for all students by providing access to 21st century science and computer labs.</p> <p>Many local schools are 40 to 74 years old and desperately need repairs. Measure J removes mold and asbestos from our schools, fixes leaky, deteriorated roofs, and completes many other needed repair projects.</p> <p>Measure J replaces aging, inefficient electrical, heating and air conditioning systems, saving Alum Rock Union Elementary School District hundreds of thousands of dollars each year in utility and maintenance costs - money that can be put back into the classroom to improve academic instruction in core subjects.</p> <p>Vote YES on J.</p> <ul style="list-style-type: none"> • Remove hazardous materials, like mold and asbestos. • Replace aging, inefficient electrical, heating and air conditioning systems. • Fix leaking roofs, windows and doors. • Ensure safe access for disabled students. • Modernize classrooms and provide 21st century science and computer labs <p><u>Every penny</u> of Measure J will be used to improve local schools.</p> <ul style="list-style-type: none"> • NO funds can be taken by the State. • All funds will be controlled locally, with citizen oversight and annual audits to ensure funds are used as promised. • Local schools will be eligible for millions of dollars in State matching funds. • No funds can be used for administrators' salaries, benefits or pensions. <p>Measure J invests in our students' future, providing them with the science, math and computer skills needed to succeed in high school, college and or the careers of the 21st century.</p> <p>Measure J creates local construction jobs and pumps millions of dollars into our local economy, supporting our local businesses.</p> <p>JOIN PARENTS, TEACHERS, LOCAL BUSINESSES AND COMMUNITY LEADERS.</p> <p>Vote YES on Measure J.</p> <p>/s/ Nora Campos California State Assemblymember</p> <p>/s/ Frank Cortez President, Alum Rock Village Business Association</p> <p>/s/ Julie Ramirez Treasurer, Linda Vista Elementary School PTA</p> <p>/s/ Jocelyn B. Merz President, Alum Rock Educators Association</p> <p>/s/ Hilario B. Ruiz Veteran and Senior Citizen</p>	<p>It was three short years ago that voters passed the Alum Rock Union Elementary School District's Measure J to sell up to \$179 million in bonds to fund improvements to our neighborhood schools, fix leaky roofs, improve fire safety, upgrade classrooms, update computer technology, and renovate restrooms.</p> <p>Now the School District is back again asking for our approval to borrow another \$125 million in bonds to fund exactly the SAME school improvements, using exactly the SAME arguments. The School District always uses the same arguments to try to scare us into voting for more debt or higher taxes. This time we should say NO.</p> <p>The School District still is working on Measure J projects and should prioritize its spending to make sure the students - our children - are safe and secure and receive a great education. Allowing the School District to borrow even more money will not make our schools better; it will just increase the money going to pay debt service instead of providing a better education for our children.</p> <p>We remember 2009's Measure J. We don't need more debt for our schools.</p> <p>Vote NO on Measure J.</p> <p>You can be <u>for</u> schools, <u>for</u> students, <u>for</u> teachers, and <u>against</u> Measure J.</p> <p>For more information: www.SVTaxpayers.org/alum-rock</p> <p>/s/ John W.S. Roeder President, Silicon Valley Taxpayers Association</p> <p>/s/ Edward Leo Wimmers Chair, Libertarian Party of Santa Clara County</p>

ARGUMENT AGAINST MEASURE J

When school boards put bond measures like Measure J 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 hike is being sought. School budgets reflect priorities. Alum Rock Elementary School District is saying every educational dollar spent today is going to something they consider a higher priority than removing "mold and asbestos; fixing leaky, deteriorated roofs" and "updating computer technology".

Do you agree?

The website www.ed-data.k12.ca.us, reports 13,060 students in the district, which means the bond's actual expenditures are \$9,571 per student not counting interest and principal repayment. When you buy a home, "truth in lending" laws require you be told the real cost of buying that home. Shouldn't consumer laws apply to bond issues too? For example:

Borrowing **\$125,000,000** and paying 3% interest for 40 years equals annual payments of **\$5,369,760** in principal and interest for a total lifetime cost of **\$214,790,400**.

As a consumer, you deserved to know the full truth about Measure J.

Instead of paying **\$5,369,760 (principle & interest)** every year to remove "mold and asbestos" or "fixing leaky....roofs and for "up-to-date computers", your educational dollars will be going 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 **\$5,369,760** a year on "updating computer technology." or
2. Spending **\$5,369,760** a year to fund tax shelters for big banks, investment brokers, and the rich.

If you value "updating computer technology" more than other people's tax shelters, vote **NO** on Measure J.

If you value removal of "mold and asbestos" more than making interest payments for 40 years, vote **NO** on Measure J.

Want more? www.SVTaxpayers.org/alum-rock

/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 J

Do nothing. That's what the authors who oppose Measure J—who do not live in the Alum Rock Union Elementary School District—recommend we do to protect and improve our local schools. **Dozens of community leaders, homeowners, teachers, parents, and business leaders disagree.** Now is the time to invest our children.

Measure J repairs local schools in the Alum Rock Union Elementary School District. It provides funds to **remove mold and asbestos from our schools, and fixes leaky, deteriorated roofs.**

Measure J replaces aging, inefficient electrical, heating and air conditioning systems, **saving Alum Rock Union Elementary School District hundreds of thousands of dollars each year**, putting money back into classrooms to improve academic instruction in core subjects.

Many of our schools were built between 40 and 74 years ago. Measure J ensures all students learn in safe, modern classrooms. It provides access to state-of-the-art science and computer labs providing students with the science and math skills to succeed in high school, college and careers of the 21st century.

Every penny of Measure J must be used to improve local schools.

- NO funds can be taken by the State.
- Local schools will be eligible for millions of dollars in State matching funds.
- All funds will be controlled locally, with **citizen oversight and annual audits.**
- No funds can be used for administrators' salaries, benefits or pensions.

Finally, Measure J **creates local construction jobs** and pumps millions of dollars into our local economy, supporting our local businesses.

JOIN PARENTS, TEACHERS, LOCAL BUSINESSES AND COMMUNITY LEADERS in voting **YES** on Measure J.

/s/ Xavier Campos
San Jose City Councilmember