

MEASURE A

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE A

A school district may levy a qualified special tax upon approval by two-thirds of the votes cast on a measure pursuant to section 4 of article XIII A of the California Constitution and sections 50075 *et seq.* of the California Government Code.

The Board of Trustees (Board) for the Los Gatos-Saratoga Union High School District (District) proposes renewing an existing parcel tax that expires on June 30, 2017. If approved, the renewed parcel tax will commence on July 1, 2017 and expire on June 30, 2025 and will continue to be levied at the current amount of \$49 per parcel per year.

An exemption from the proposed tax is available for any parcel that is occupied by and is a principal residence for (1) a person 65 years or older; (2) a person receiving Supplemental Security Income; or (3) a person receiving Social Security Disability benefits whose yearly income does not exceed 250% of the 2012 federal poverty guidelines issued by the United States Department of Health and Human Services. The Measure states that persons currently exempted from the expiring parcel tax shall automatically be exempted without a new application.

State law requires the District to state the specific purposes for which the tax proceeds will be used and only spend the proceeds of the tax for these purposes. The stated purposes of the tax proposed are to: (1) maintain high quality science, math, technology, and engineering courses; (2) attract and retain qualified teachers; (3) maintain outstanding core academic programs; (4) provide programs and counseling to prepare students for college and career; and (5) provide classroom materials such as books and science laboratory equipment. The Measure states that revenue generated by the tax will not be used for District administrators' salaries, benefits, or pensions.

The District is required by law to provide additional accountability measures for the proceeds. These measures include: (1) depositing the proceeds into a fund that is separate and apart from other District funds; and (2) providing an annual written report to the Board stating the amount of funds collected and expended, and the status of any project authorized to be funded from the tax proceeds. The Board will maintain its independent Citizens' Oversight Committee to provide oversight as to expenditures of parcel tax revenues.

Measure A was placed on the ballot by the Board.

A "yes" vote is a vote to approve a parcel tax of \$49 per parcel on parcels within the District for eight years commencing on July 1, 2017.

A "no" vote is a vote to not approve a parcel tax of \$49 per parcel on parcels within the District for eight years commencing on July 1, 2017.

Orry P. Korb
County Counsel

By: /s/ Danielle L. Goldstein
Deputy County Counsel

COMPLETE TEXT OF MEASURE A

LOS GATOS-SARATOGA UNION HIGH SCHOOL DISTRICT Core Academic Programs Funding Measure A

INTRODUCTION AND PURPOSE

To continue to ensure reliable funding for Los Gatos and Saratoga High Schools that cannot be taken by the State, support for core academic programs such as science, math, technology and engineering, attract and retain highly qualified teachers, to maintain programs to prepare students for college and careers in demand, and to provide classroom materials such as books and laboratory equipment, with no proceeds used for administrators' salaries, benefits and pensions, the Los Gatos-Saratoga Union High School District ("District") proposes to renew and extend its existing core academic programs parcel tax for a period of eight years from its current expiration date (June 30, 2017) starting on July 1, 2017 at a rate of \$49 per parcel per year, with an exemption available for senior citizens and certain disabled persons, and to implement accountability measures, including citizen oversight, to ensure the funds are used to:

- Maintain high quality science, math, technology and engineering courses;
- Attract and retain highly qualified teachers;
- Maintain outstanding core academic programs;
- Provide programs and counseling to prepare students for college and careers; and
- Provide classroom materials such as books and science laboratory equipment.

The proceeds of the parcel tax shall be deposited into a separate account created by the District.

DEFINITION OF "PARCEL"

For purposes of the core academic programs parcel tax, the term "Parcel" means any parcel of land which lies wholly or partially within the boundaries of the Los Gatos-Saratoga Union High School District, that receives a separate tax bill for *ad valorem* property taxes from either the Santa Clara County Assessor/Tax Collector or the Santa Cruz County Assessor/Tax Collector, as applicable. All property that is otherwise exempt from or upon which are levied no *ad valorem* property taxes in any year shall also be exempt from the core academic programs parcel tax in such year.

For purposes of this core academic programs parcel tax, any such "Parcels" which are (i) contiguous, and (ii) used solely for owner-occupied, single-family residential purposes, and (iii) held under identical ownership may, by submitting to the District an application of the owners thereof by June 15 of any year, be treated as a single "parcel" for purposes of the levy of the core academic programs parcel tax.

EXEMPTION FOR SENIORS AND SSI RECIPIENTS

Pursuant to California Government Code Section 50079 (b)(1), any owner of a Parcel used solely for owner-occupied, single-family residential purposes and who are either (a) 65 years of age or older on

COMPLETE TEXT OF MEASURE A-Continued

or before June 30 of the fiscal year immediately preceding the year in which the tax would apply, or (b) persons receiving Supplemental Security Income for a disability, regardless of age, or (c) receiving Social Security Disability Insurance benefits, regardless of age, whose yearly income does not exceed 250 percent of the 2012 federal poverty guidelines issued by the United States Department of Health and Human Services, may obtain an exemption from the parcel tax by submitting an application therefore, by June 15 of any year, to the District.

Persons currently exempted from the District's expiring Measure A parcel tax shall automatically be exempted from this Measure without having to file a new application.

The District may establish administrative procedures to periodically verify the continuance of any previously granted exemption.

With respect to all general property tax matters within its jurisdiction, the Santa Clara and Santa Cruz County Assessor/Tax Collectors, respectively, or other appropriate county tax officials, shall make all final determinations of tax exemption or relief for any reason, and that decision shall be final and binding. With respect to matters specific to the levy of the core academic programs parcel tax, including any exemptions and the classification of property for purposes of calculating the tax, the decisions of the District shall be final and binding.

REDUCTION IN TAX IF RESULT IS LESS OTHER GOVERNMENT SUPPORT

The collection of the core academic programs parcel tax is not intended to decrease or offset any increase in local, state or federal government revenue sources that would otherwise be available to the District during the period of the parcel tax. In the event that the levy and collection does have such an effect, the District may cease the levy or shall reduce the parcel tax to the extent that such action would restore the amount of the decrease or offset in other revenues.

ACCOUNTABILITY MEASURES

In accordance with the requirements of California Government Code Sections 50075.1 and 50075.3, the following accountability measures, among others, shall apply to the parcel tax levied in accordance with this Measure: (a) the specific purposes of the parcel tax shall be those purposes identified above; (b) the proceeds of the parcel tax shall be applied only to those specific purposes identified above; (c) a separate, special account shall be created into which the proceeds of the core academic programs parcel tax must be deposited; and (d) an annual written report shall be made to the Board of Trustees of the District showing (i) the amount of funds collected and expended from the proceeds of the core academic programs parcel tax and (ii) the status of any projects or programs required or authorized to be funded from the proceeds of the parcel tax, as identified above. In addition to the accountability measures required by law, the District will maintain its existing Citizens' Oversight Committee to provide oversight as to the expenditure of parcel tax revenues.

ARGUMENT IN FAVOR OF MEASURE A

Vote YES on A to protect excellent education in Los Gatos and Saratoga high schools without increasing taxes by a single penny.

Known for rigorous academic programs and superior test scores, Los Gatos and Saratoga high schools are among the top in the State. In fact, *U.S. News and World Report* ranks both high schools in the top 500 nationally. With a strong foundation in science, math, technology and English, 98% of our graduates go on to attend colleges and universities and compete for 21st-century careers.

Without increasing taxes, Measure A renews existing stable, local funding to continue strong student achievement. All funds will stay in our local schools and cannot be taken by the State.

California's state public education tax is set to expire soon, dramatically reducing state funding to our local high schools by nearly \$1 million. We simply can't rely on Sacramento to fund the academic excellence we expect from our high schools.

Measure A protects our community tradition of academic excellence by:

- Providing high-quality science, math, technology and engineering courses
- Attracting and retaining highly qualified teachers
- Maintaining outstanding core academic programs
- Providing programs to prepare students for college and careers
- Providing classroom materials like books and laboratory equipment

Measure A continues strict fiscal accountability:

- All funds stay in local schools and cannot be taken away by the State
- Independent citizen oversight and annual audits continue to ensure that funds are spent as promised
- Money can only be spent in the classroom, not on administration

Families move to our communities because of our top-quality high schools, which helps maintain high property values for us all, even those of us who no longer have children in school.

Join parents, teachers, seniors, local business leaders and many others—vote YES on A to keep Los Gatos High School and Saratoga High School on top without increasing taxes.

/s/ Kristin Gragnola
President, Saratoga High School Foundation

/s/ LezLi Logan
President, Los Gatos High School Home and School Club

/s/ Jennie Lau
Co-President, Saratoga Music Boosters

/s/ Scott C. Mosher
Treasurer, Los Gatos High School New Millennium Foundation

/s/ Bill Cooper
5th-Generation Resident, Cooper-Garrod Vineyard

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE A

Like Lewis Carroll's Humpty Dumpty in "Through the Looking Glass" saying, "When I use a word ... it means just what I choose it to mean—neither more nor less." the proponents assert this measure is not a tax increase. When the 2011 parcel tax expires, the parcel tax will be \$0.00. This measure is a tax increase.

Likewise, the assertion that this district needs funds beyond Sacramento's grasp misconstrues the district's funding. The district is an excess tax/basic aid district, primarily funded by local property taxes, not Sacramento. Local property taxes have historically provided steadily increasing locally controlled funding. The 2011 downturn created a short-term local revenue shortfall that was supplemented by a short term parcel tax—the now expiring parcel tax.

Our trip through the Looking Glass continues with the proponents' statement of decreased state support of education. Yet, Governor Brown, in his 2016-2017 budget summary, says, "As a result of both increased General Fund revenues and local property taxes, the Budget ... proposes an increased investment of \$5.4 billion in K-14 education."

Stepping back from the Looking Glass, we see that this measure is actually a permanent tax increase served-up in periodic renewals.

Base your vote on facts, not distortion. As the Governor observed, California now has increased tax revenues. For this district, increasing property values provide substantial automatic increases in locally controlled funding. In the current economic environment there is no need to renew the expiring temporary parcel tax.

You should vote NO on this measure.

/s/ Robert Zager
Registered Voter

/s/ Tsehua Alex Chen
Registered Voter

ARGUMENT AGAINST MEASURE A

The 2011 parcel tax was a temporary solution to solve a temporary problem. Because the temporary problem no longer exists, this tax should not be renewed. You should vote NO on this measure.

The Los Gatos Saratoga Union High School District (High School District) is a "basic aid", or "excess tax" district, meaning its property tax receipts are greater than its state mandated education spending and it gets to retain the property taxes that exceed the state mandated minimum.

Historically, the High School District's tax base has increased more than 7% annually. The problem in 2011 was that the economy was in decline. For the High School District, instead of the historical growth of more than 7%, the tax base increased 2.22% in 2010, declined 0.94% in 2011, and increased 1.18% in 2012. Rather than tightening its belt, the High School District sought and received voter approval for the short term parcel tax to address the recession. The recession is over and the tax base has increased 4.30% in 2013, 7.64% in 2014, 5.64% in 2015 and 7.44% in 2016. The High School District's core funding is its LCFF/Revenue Limit Sources receipts, consisting of property tax receipts and basic state assistance, which have increased from \$31.9M in 2011-12 to \$40.6M in 2015-16.

The Los Gatos Saratoga Union High School District does not require the parcel tax to supplement the automatic tax increases it receives from increasing property values. Vote NO on this measure.

Learn more at www.parceltax.com.

/s/ Robert Zager
Registered Voter

REBUTTAL TO ARGUMENT AGAINST MEASURE A

We've looked at the facts and we're voting YES on Measure A.

The argument against Measure A implies that local high school students don't benefit from excellent academic programs and highly qualified teachers. This is not true.

Our high schools are among the best in the country because we are fortunate to live in communities that value top-quality education.

Fact: Measure A does not increase taxes. It simply extends local funding that cannot be taken by the State. Without Measure A, approximately \$1 million annually would be cut from our schools' budget.

Fact: These funds support high-quality science, math, technology, engineering and core academics, retain our highly qualified teachers and prepare our students for college and careers—not a penny can pay for administration.

Fact: Our district has been a responsible steward of locally controlled funding—the citizens' oversight committee has verified that all funds have been spent on voter-approved purposes, and Measure A continues the same fiscal accountability protections.

Fact: We know the State is an unreliable partner in funding our schools. California's state public education tax is set to expire soon, which will dramatically reduce state funding to our local high schools by nearly \$1 million. As the cost of providing an outstanding education increases, local funding is more critical than ever in maintaining the high-quality education our community expects from our local high schools.

Join us—vote Yes on Measure A.

Visit www.VoteYesExcellentSchools.org for more information.

/s/ Howard A. Miller
Former Saratoga Mayor

/s/ Joanne Benjamin
Former Los Gatos Mayor and Retired Los Gatos High School Teacher

/s/ Karen Hyde
Former Saratoga High School Assistant Principal

/s/ Pragati Grover
Former Saratoga Union School District School Board Member and
Former Saratoga Planning Commissioner

/s/ Catherine A. Thermond
Los Gatos-Saratoga Joint Union High School District Measure E
Bond Oversight Committee Senior Citizens' Organization
Representative and Saratoga Foothill Club Historic Landmark
Foundation Board Member