

MEASURE G

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE G

Measure G was placed on the ballot by the Board of Trustees (Board) for the East Side Union High School District (District). The Board proposes renewing and increasing an expiring tax on parcels of real property. If approved, a tax of \$49 per parcel per year will be collected beginning in fiscal year 2018-2019. This proposed tax will expire, and collection will end, seven years later.

For the District to impose the proposed tax, Measure G must be approved by at least two-thirds of those voting on it.

There are two exemptions from the proposed tax. First, upon application, the District may grant an exemption for any parcel that is owner-occupied by a person 65 years or older. Second, parcels that would otherwise be exempt from property tax will also be exempt from the proposed tax.

State law requires the District to state the specific purposes for which the tax proceeds will be used and to only spend the proceeds of the tax for these purposes. The stated purposes of the proposed tax are:

- Developing and implementing programs for 21st century science, technology, engineering, math, reading and writing instruction;
- Attracting and retaining highly qualified teachers and staff; and
- Developing and implementing career and technical education pathways for college and career success, including computer science, biology, biotech, and high-tech skills.

The District will provide a share of the proceeds to public charter schools based on such schools' proportionate share of enrollment, if those schools meet certain requirements set out in the Measure.

The District is also required to provide additional accountability measures for the proceeds. These measures include: (1) depositing the proceeds into a fund that is separate 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 also establish an independent Citizens' Oversight Committee to provide oversight of expenditures of the tax proceeds.

The District will reduce this tax if it has the unintended effect of reducing state or federal government funding that would otherwise be available to the District.

A "yes" vote is a vote to approve a parcel tax of \$49 per parcel for seven years.

A "no" vote is a vote to not approve the proposed parcel tax.

James R. Williams
County Counsel

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

COMPLETE TEXT OF MEASURE G

INTRODUCTION

"To support quality education for East Side Union High School District students, with funds that cannot be taken by the State, to maintain: 21st century science, technology, engineering, math, reading, writing instruction; college preparation; career/technical education in computers, arts, hands-on science, business; attract/retain high quality teachers, counselors, staff; shall the measure to levy \$49 per parcel for 7 years be adopted, raising \$6 million annually, exempting senior citizens, requiring independent oversight, with all funds supporting classroom instruction?"

PURPOSES

To provide local revenue that cannot be taken by the State and to maintain high-quality public education in schools within the East Side Union High School District (the "District"), the District proposes to levy and collect an education parcel tax annually for 7 years as more fully described below under "EDUCATION PARCEL TAX AND PROCEDURES," and to implement accountability measures in connection with the education parcel tax and to provide oversight and accountability to ensure that funds are used only for the following specific purposes:

- Develop and implement programs for 21st century science, technology, engineering, math, reading and writing instruction;
- Attract/retain highly qualified teachers and staff, and
- Develop and implement for career/technical education pathways for college and career success, including computer science, biology, biotech, and high tech skills.

The Board of Trustees will not fund any program other than those listed above from the proceeds of the education parcel tax.

EDUCATION PARCEL TAX AND PROCEDURES

Amount of Education Parcel Tax. Subject to two-thirds approval of the voters, the education parcel tax of \$49 per parcel (except exempt parcels, as described below) shall become effective for 7 years commencing with fiscal year 2018-19 and be collected by the Santa Clara County Tax Collector at the same time as and along with, and shall be subject to the same penalties as general *ad valorem* taxes collected by said tax collector.

Definition of Parcel. A parcel shall be defined as any unit of land in the District that receives a separate tax bill from the Santa Clara County Tax Collector.

Exemptions. The following exemptions shall apply to the levy of the qualified special tax.

- *Otherwise Exempt Property.* All property that would otherwise be exempt from property taxes shall also be exempt from the education parcel tax.

COMPLETE TEXT OF MEASURE G-Continued

- *Senior Citizen Exemption.* An exemption shall be available to persons who are 65 years or older and own and occupy as a principal residence a parcel subject to the education parcel tax.

Property owners seeking the senior citizen exemption must apply to the District for such exemption under procedures established by the District or otherwise as required by law or by the Santa Clara County Tax Collector.

Exclusive Procedures. The procedures described herein with respect to the levy and collection of the education parcel tax and exemptions, and any additional procedures established by the Board of Trustees of the District, shall be the exclusive claims procedure for claimants seeking an exemption, refund, reduction, or re-computation of the qualified special tax. Whether any particular claim is to be resolved by the District or by the County shall be determined by the District, in coordination with the County as necessary. The District's Board of Trustees may adopt such additional or supplemental procedures as it deems necessary or convenient for the administration of the education parcel tax.

ACCOUNTABILITY MEASURES

Government Code Accountability. 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 qualified special taxes levied in accordance with this Measure:

- the specific purposes of the education parcel tax shall be those purposes identified above under the heading "PURPOSES,"
- the proceeds of the education parcel tax shall be applied only to those specific purposes identified above under the heading "PURPOSES,"
- a separate, special account shall be created into which the proceeds of the education parcel tax must be deposited; and
- the chief fiscal officer of the District shall file an annual written report with the Board of Trustees of the District showing (1) the amount of funds collected and expended from the proceeds of the education parcel tax and (2) the status of any projects, programs, or purposes identified above under the heading "PURPOSES."

Citizens' Oversight Committee. In addition to the accountability measures required by the Government Code, an independent Citizens' Oversight Committee shall be appointed by the Board of Trustees to advise the Board on the expenditures funded by the measure in order to ensure that said funds are spent for the purposes approved by the voters. The Citizens' Oversight Committee will monitor the expenditures of these funds by the District and will report on an annual basis to the Board and community on how these funds have been spent.

Annual Independent Audits. The District will engage a third party

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independent auditor to conduct annual audits reviewing the revenues and expenditures of the education parcel tax to confirm that funds are spent for the purposes described in the measure.

DISTRIBUTION OF EDUCATION PARCEL TAX FUNDS

Each fiscal year the District will share in the education parcel tax proceeds as provided herein: (1) with public charter schools currently operating within the District's boundaries as of June 5, 2018, serving students who reside in the District, and (2) with a new or proposed new public charter school which submitted its charter petition pursuant to Education Code sections 47605, 47605.5, 47605.6, or 47605.8 on or before November 1, 2017, and received approval of its petition on or before June 5, 2018. The District and each such charter school shall, as determined by the Board of Trustees, receive a proportionate share of the total proceeds from the education parcel tax actually received by the District each year (the "Total Proceeds") pursuant to the following provisions:

1. Calculation of Proportionate Share. Each charter school's proportionate share of educational parcel tax proceeds shall be determined as follows:

- (a) Each school year the District shall add the total in-District enrollment of all charter schools to the total District enrollment as reported to the California Department of Education in the California Basic Educational Data System (CBEDS) Online Reporting Application (CBEDS-ORA) as of October 31 each year, which sum shall equal the "Total In-District Enrollment".
- (b) The District shall divide the Total Proceeds by Total In-District Enrollment, which shall equal the "Per Student Share of Parcel Taxes" for the school year.
- (c) For each charter school the District shall calculate the charter school's proportionate share of the Total Proceeds by multiplying the charter school's in-District enrollment by the Per Student Share of Parcel Taxes.

2. Accountability. As a condition to receiving its Per Student Share of Parcel Taxes each charter school shall comply with the following transparency and accountability requirements. The District reserves the right, through Board action at an open session of a public meeting, to suspend, reduce or eliminate, in whole or in part, the parcel tax proceeds disbursed to such charter school for failure to comply with these requirements:

- (a) No later than October 31 of each year, each charter school shall provide the District with student directory information (including student name, residence address, telephone number, and school district of residence in sortable electronic format) to allow the District to determine such charter school's in-District enrollment for purposes of verifying the charter school's proportionate share of the Total Proceeds. The District will take reasonable measures to protect this information as may be required by applicable federal and State law.

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- (b) Each charter school shall be solely and individually responsible for ensuring that all parcel tax proceeds are spent consistent with, and only for the purposes identified in, the voter approved parcel tax. In addition, each charter school shall ensure that its independent auditor provides to the District as part of its annual audit a separate balance sheet reflecting the revenues and expenses relating to the expenditures of proceeds received from the qualified special tax.
- (c) Each charter school shall adhere to the highest levels of transparency in its expenditure of its share of the proceeds, in part, through compliance with the following requirements:
 - (i) A charter school shall only approve the expenditure of parcel tax proceeds in a duly agendized open session meeting of its governing board. The charter school shall provide the District no less than 72 hours notice of such a meeting, with a copy of the agenda and all information provided to charter school's governing board in connection with such agenda item.
 - (ii) No later than September 15 each year, each charter school shall provide to the District a written report accounting in detail for its expenditure of parcel tax proceeds in the previous fiscal year and detailing the status of any projects, programs, or purposes to (a) develop and implement programs for 21st century science, technology, engineering, math, reading and writing instruction, (b) to attract/retain highly qualified teachers and staff, and (c) to develop and implement career/technical education pathways for college and career success, including computer science, biology, biotech, and high tech skills. The report shall provide sufficient detail for the District, the District's appointed Citizens Oversight Committee, and the District's auditors to determine if the Charter School expended its share of the proceeds as required by the voter-approved measure.
 - (iii) Each Charter School shall track its expenditure of its share of proceeds separately from all other revenues, and by resource code, for the purposes of making its annual written report to the District.
 - (iv) Each charter school shall cooperate with the appointed Citizens' Oversight Committee in its monitoring of expenditures of parcel tax proceeds, including timely responding to requests for information and documents relating to the expenditure of tax proceeds.

3. Good Standing. To maintain its eligibility for any distribution of parcel tax proceeds, each charter school must be in operation and must be and remain in good standing with its charter authorizer.

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PROTECTION OF FUNDING

Current law forbids any decrease in State or Federal funding to the District because of the District's adoption of an education parcel tax. However, if any such funds are reduced because of the adoption of this education parcel tax, then the amount of the education parcel tax will be reduced annually as necessary in order to restore such State or Federal funding.

SEVERABILITY

The Board of Trustees of the District hereby declares, and the voters by approving this measure concur, that every section, paragraph, sentence and clause of this measure has independent value, and the Board of Trustees and the voters would have adopted each provision hereof regardless of every other provision hereof. Upon approval of this measure by the voters, should any part be found by a court of competent jurisdiction to be invalid for any reason, all remaining parts hereof shall remain in full force and effect to the fullest extent allowed by law.

ARGUMENT IN FAVOR OF MEASURE G

Vote YES on Measure G to support East Side High School students strive for excellence.

Measure G guarantees locally-controlled funding needed to protect 21st-century science, technology, engineering, math, reading and writing instruction in our local East Side High Schools: Andrew Hill, Evergreen, Independence, James Lick, Mt. Pleasant, Oak Grove, Piedmont Hills, Santa Teresa, Silver Creek, Overfelt, Yerba Buena, Foothill and Calero.

Student achievement in our local high schools is on the rise. Graduation rates are climbing and now exceed state and county averages. Last year alone, more than 1,200 graduates went straight to San Jose State. Many of these hard-working students are the first in their families to attend college.

East Side students deserve the same chance as other students to learn necessary skills for success in Silicon Valley. Measure G protects and supports programs like computer science, biology, bio-tech, physics, web tech design, robotics and space tech engineering.

Vote YES on Measure G:

- Maintain 21st-century science, technology, engineering, math, reading and writing instruction
- Attract and retain high-quality teachers, counselors and staff
- Protect and enhance hands-on science programs
- Maintain college preparation programs and resources for all students
- Protect arts and music and keep school libraries open
- Protect counseling to help students with academic planning for college and careers
- Provide career-development and vocational job-training programs

Every penny supports East Side High Schools:

- All funds are for our local high schools and cannot be taken by the State
- Senior citizens are exempt from Measure G
- Independent citizens' oversight and independent annual audits are required
- No funds can be used for administrators' salaries

Vote YES on Measure G we can't wait for unreliable State funding to protect core academic programs and keep qualified teachers in the classroom.

ARGUMENT IN FAVOR OF MEASURE G-Continued

East Side High School students are counting on your YES vote.

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

/s/ Marisa Hanson
President, East Side Teachers Association

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

/s/ Roxana Marachi
Associate Professor of Education

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE G

Tech Measure I (2014) guaranteed our students access to modern technology, and promised to ensure they have what they need for the next 30 years. How can Measure G also make that same promise? If they did not predict costs with that bond measure correctly, and need more money now, what guarantee do our students have that they got the math right this time?

Proposition 30 (2012) Education Protection Account (EPA) protects schools from having their budgets slashed too much by the state. In fact, in the 4 fiscal years that the program has been running, East Side Union has not needed to access those funds! Existing bond measures, and correct accounting, have allowed our schools and students to thrive.

Proposition 2 (2014) allows for excess taxes received to go into a special school reserve fund. The state predicts it will receive \$2.4 billion in school reserve funds between now and May 2018. Our students will have the funding they deserve for a great education, even if we hit another recession. Don't let these bond measure people scare you, our schools and students are on the right path, without needing another \$42 million in taxes. VOTE NO ON MEASURE G

/s/ Jennifer Imhoff

Chair, Libertarian Party of Santa Clara County

/s/ Mark W.A. Hinkle

President: Silicon Valley Taxpayers Association

ARGUMENT AGAINST MEASURE G

East Side Union School District currently has five existing bond measure:

- **G** is spending \$298M to "provide greater security and safety, relieve overcrowding, and improve technology".
- **E** is spending \$349M "to improve computer/science labs, provide greater safety and security, repair, equip, construct, and acquire classrooms and facilities".
- **I** is spending \$120M "to continue to upgrade technology, improve security and safety, and repair, equip and construct classrooms and facilities at District high schools, adult, alternative, and charter schools".
- **TM-I** is spending \$113.2M by "providing a replenished source of funding for new technology every three to four years for the next two decades".
- **Z** is spending \$509M for "improvements including, but not limited to, improving and constructing science, technology and engineering classrooms; removing hazardous materials from classrooms and schools; upgrading fire/security systems for increased student safety; improving disabled (ADA) accessibility; replacing portable classrooms; replacing deteriorating roofs and fixing leaky plumbing".

\$905 million dollars from above bond measures is **still unused** and ready to go towards supporting our local schools. ESUSD issued bonds in the last three elections, along with one for \$78 million just last year. With so much money already going towards school technology, what would you rather spend this additional \$42 Million on? https://www.sccip.org/2018_measures

/s/ Jennifer Imhoff

Chair, Libertarian Party of Santa Clara County

/s/ Mark W.A. Hinkle

President: Silicon Valley Taxpayers Association

REBUTTAL TO ARGUMENT AGAINST MEASURE G

We appreciate that our opponents recognize our community has a history of solving problems and working together.

We're voting YES on Measure G because ensuring a quality education for local high schoolers is one of the best investments we can make. Measure G opens doors for East Side students to compete for college and careers in Silicon Valley.

Fact: The District has a proven track record of spending taxpayer dollars carefully. Citizens' oversight reports and annual audits prove it. ESUHSD is considered a model of fiscal prudence by independent auditors.

Fact: Measure G guarantees locally-controlled funding that cannot be taken by the State. We need to protect 21st-century science, technology, engineering, math, reading and writing instruction in our local high schools.

Fact: The State of California doesn't provide enough funding to ensure high quality local schools—but Measure G provides local funds under local control.

Fact: East Side students are achieving excellence. Last year alone, more than 1,200 East Side graduates went straight to SJSU. Many became the first in their families to attend college.

Fact: Senior citizens are exempt from Measure G.

Fact: Independent citizens' oversight is required.

Fact: Measure G helps East Side high school students reach college and careers:

- Attract and retain high-quality teachers, counselors and staff
- Protect and enhance hands-on science programs
- Maintain college preparation programs and resources for all students
- Provide career-development and vocational job-training programs

The need is real, and the plan is right. Please study the facts and join us: vote **YES on Measure G**.

/s/ Cindy Chavez
Vice President, Santa Clara County Board of Supervisors

/s/ Emmanuel Barbara
Interim CEO and Vice President, Advocacy & Thought Leadership
ALearn Silicon Valley Education Foundation

/s/ Jethroe Moore II
Pastor/Silicon Valley-San Jose NAACP

/s/ Jon D. Reinke
Member, ESUHSD Board Audit Committee

/s/ Sridhar Holagunda
President, Evergreen Valley High School Parent Teacher Student
Association (PTSA)