

MEASURE BB

Approval of Measure BB does not guarantee that the proposed project or projects in the Santa Clara Unified School District that are the subject of bonds under Measure BB will be funded beyond the local revenues generated by Measure BB. 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 BB

Measure BB would authorize issuance of \$720,000,000 in bonds to fund school facilities projects in the Santa Clara Unified School District (District). Such bonds are financial instruments used by school districts to borrow money that is repaid by a property tax levy. California law allows school districts to propose bond measures to authorize the issuance of bonds. To pass, the Measure must be approved by 55 percent of voters who vote in the election. The Measure was put on the ballot by Board of Trustees (Board) of the District.

Money generated by the bonds can only be used for the purposes that are set out in the full text of the Measure. The ballot question states that the money could be used, among other things, to:

- Construct classrooms, labs, and school libraries;
- Acquire, renovate, construct, and equip facilities to improve older schools; and
- Fix deteriorating roofs, plumbing, and electrical systems.

A complete list of the specific projects and allowed expenditures is included within the full text of the Measure. The Board certifies that it has evaluated safety, class size, and information technology needs in developing its project list. According to the Measure, the District intends to complete projects using a combination of funding sources including, but not limited to, joint-use funds, development impact fees, state funds, and other funds.

Under the California Constitution, money generated by school district bond measures cannot be used for teacher and administrator salaries or pensions, or other school operating expenses. The California Constitution requires the District to hire an independent professional to annually examine how the District is spending bond money. State law also requires the District to establish an independent citizens' oversight committee to ensure that money generated by the bonds is used only for the projects included in the Measure.

The bonds will be repaid from taxes collected on property in the District. The amount of the tax paid will depend on the assessed value of the property. The District's best estimate of the highest tax rate to be collected to repay the bonds is \$48.78 per \$100,000 of the assessed value of the property. The District's best estimate of the total amount, including interest, that will be required to repay the bonds is \$1,448,643,639. The District estimates that the final year that taxes will be collected to repay the bonds is fiscal year 2050-2051.

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE BB-Continued

A "yes" vote is a vote to authorize the issuance of the bonds in the amount of \$720,000,000 to be repaid by collection of taxes on property located within the District.

A "no" vote is a vote to not authorize the issuance of the bonds.

James R. Williams
County Counsel

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

COMPLETE TEXT OF MEASURE BB

BALLOT MEASURE FULL TEXT OF THE MEASURE

Upon the passage of Measure 18-42, the Santa Clara Unified School District (the "District") shall be authorized to issue bonds in the aggregate amount of \$720,000,000 (the "Bonds"), bearing interest at rates not exceeding the statutory limit, for the purpose of funding the school facilities projects listed below (the "Projects") at the District's school sites and properties, subject to the accountability safeguards set forth below.

Bond Accountability Measures

The Board certifies that it evaluated safety, class size reduction, and information technology needs in developing the list of the Bond Projects set forth below.

The Board will conduct financial and performance audits annually to account for the Bond funds and for their expenditure on the specific authorized projects.

The Board will appoint members to a citizens' oversight committee having a minimum of seven members and including at least one member active in a business organization representing the business community located within the District, one member active in a senior citizens' organization, one member active in a bona fide taxpayers' organization, one member who is the parent or guardian of a child enrolled in the District, and one member who is both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization.

The Bond Project List set forth below describes the specific projects the District proposes to finance with proceeds of the Bonds.

Proceeds from the sale of bonds authorized by this measure shall be used only for the construction, reconstruction, rehabilitation, or replacement, along with related costs, of school facilities as set forth herein, including the furnishing and equipping of said school facilities, or the acquisition or lease of real property for said school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

Bond Project List

This Bond Project List, which is an integral part of this proposition, describes the specific Projects the District proposes to finance with proceeds of the Bonds.

In order to meet all identified facilities needs, the District intends to complete Projects using a combination of funding sources. These sources may include joint-use funds, development impact fees, state funds, and other available funds. The District will pursue state matching funds if and when they become available, and if received, they will be used for and mainly applied to Projects on this Bond Project List or other high priority capital outlay expenditures as permitted in Education Code section 17070.63(c).

Specific Projects which may be funded by the bond measure include, without limitation, the following:

COMPLETE TEXT OF MEASURE BB-Continued

Agnews Campus: Complete 1,600 student comprehensive high school.

Reconstruct fields at Santa Clara High School.

Reconstruct fields at Wilcox High School.

Expand New Valley High School to Monticello Campus.

Reconstruct fields at Peterson Middle School.

New Patrick Henry School campus, including special education facilities.

Reconfigure the Laurelwood Campus for changes resulting from enrollment or grade level configuration or other District use in support of schools.

New school shade structures.

Add and replace elementary school play structures.

Replace roofs.

Upgrade fencing and gates.

School playground paving.

Replace portable buildings with permanent structures.

Replace Children's Center buildings at Bracher Elementary School and Briarwood Elementary School.

Reconfigure Westwood Elementary School for preschool special education program.

Replace single glazed windows.

Restrooms additions and upgrades.

Drop-off and pick-up traffic improvements.

Improve school fields.

Replace elementary school offices to improve student and parent support services.

Replace elementary school multipurpose buildings and kitchens.

Bond Program Management Costs

Project expenditures may also include:

Program Costs: Staffing and other general and administrative costs to manage and execute the Bond Program.

Escalation Reserve: Reserve for unforeseen price inflation costs.

Program Reserve: Reserve for unanticipated scope costs or for unanticipated opportunities to enhance project scope or schedules.

For any of the Bond Projects described above with respect to construction at an existing District site, the District is authorized to identify an alternate site and/or acquire land for such purpose and construct the

COMPLETE TEXT OF MEASURE BB-Continued

approved Project at such site if the District has determined that the existing site does not satisfy the requirements of the Division of State Architect or other State laws, codes, and regulations, including, but not limited to hazardous substances, applicable to school district properties.

The final cost of each Project will be determined as plans are finalized and Projects are completed. Based on the final costs of each Project, certain of the Projects described above may be delayed or may not be completed. The allocation of Bond proceeds may also be affected by the final costs of each Project.

Necessary site preparation/grading/restoration may occur in connection with new construction, reconstruction, modernization, renovation, rehabilitation or replacement, furnishing and equipping, including ingress and egress, removing, replacing or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, leases, licenses, or rights of way to the property.

Additional Specifications

Listed projects, repairs, improvements, rehabilitation projects, and upgrades will be completed only as feasible, and the list of Projects does not imply a particular prioritization among such improvements. Such prioritization remains within the province of the Board of Trustees by subsequent action. The Projects may be completed at any and all school sites where such Project is determined necessary. Where economically feasible, buildings, fixtures, and equipment may be replaced rather than modernized, renovated, or repaired. Each Project is assumed to include its share of costs of the election and bond issuance, architectural, engineering, and similar planning costs, construction management, bond project staff, staff training expenses associated with new bond-funded equipment and systems, and a customary contingency for unforeseen design and construction costs. In addition to the Projects listed above, the Bond Project List also includes the acquisition of land, instructional, maintenance and operational furniture and equipment, payment of the costs of preparation of all facilities planning and project implementation studies, feasibility and assessment reviews, master planning, environmental studies, temporary housing for dislocated programs or activities caused or necessitated by construction projects, and construction, repairs, and improvements in the event of unforeseen emergencies or other circumstances in order to permit the continuance of existing educational services or to avoid danger to life or property.

Single Purpose. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Section 15100 of the Education Code, and all the enumerated purposes shall constitute the specific single purpose of the Bonds and proceeds of the Bonds shall be spent only for such purpose.

Other Terms of the Bonds. When sold, the Bonds shall bear interest at an annual rate not exceeding the statutory maximum. The Bonds may be issued and sold in several series, and in accordance with a plan of finance determined by the Board pursuant to requirements of law.

Project Requiring State Matching Funds. Approval of Measure BB does not guarantee that the proposed District Projects that are the subject of Bonds under Measure BB will be funded beyond the local revenues generated by Measure BB. Some of the District's Projects may assume the receipt of state matching funds, which could be subject to appropriation by the Legislature or approval of a statewide bond measure.

TAX RATE STATEMENT

SANTA CLARA UNIFIED SCHOOL DISTRICT

An election will be held in the Santa Clara Unified School District (the "District") on November 6, 2018, to authorize the sale of up to \$720,000,000 in bonds (the "Bonds") of the District to continue improving the quality of education in local elementary, middle, and high schools of the District. Specifically, Bond proceeds shall be utilized for the purposes of acquisition, construction, renovation, furnishing, and equipping of school facilities, support facilities, and equipment.

If the Bonds are authorized and sold, debt service thereon will be payable from the proceeds of tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400-9404 of the Elections Code of the State of California. It is anticipated that the District will sell the Bonds in two separate series.

1. The best estimate of the average annual tax rate that would be required to be levied to fund this Bond issue over the entire duration of the bond debt service, based on assessed valuations available at the time of filing of this statement, is 4.88¢ per \$100 (\$48.76 per \$100,000) of assessed valuation. The final fiscal year in which the tax is anticipated to be collected is 2050-2051.

2. The best estimate of the highest tax rate that would be required to be levied to fund this Bond issue, based on assessed valuations available at the time of filing of this statement, is 4.88¢ per \$100 (\$48.80 per \$100,000) of assessed valuation which would first occur in fiscal year 2019-2020.

3. The best estimate of total debt service, including principal and interest, that would be required to be repaid if all the Bonds are issued and sold is \$1,448,643,639. This estimate results in a debt service to principal ratio of 2.01:1, which is significantly less than the maximum ratio of 4.00:1 allowed by State law. This estimate is based on assumptions that interest rates will increase over time, and the Bonds will have a maximum term of 30 years per series.

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.

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, the years in which they will apply, and the final term of each series of Bonds 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.

TAX RATE STATEMENT-Continued

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, 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.

Dated: August 7, 2018

/s/ Stanley Rose III

Ed.D., Superintendent, Santa Clara Unified School District

ARGUMENT IN FAVOR OF MEASURE BB

Getting into college and competing for high-paying jobs is more challenging every year. Vote Yes on Measure BB to ensure students in Santa Clara Unified School District have access to the education, facilities, and technology they need to succeed.

Santa Clara Unified School District works hard to upgrade all of its schools to provide the facilities and technology to support students' 21st century learning. Recent improvements include new labs at Santa Clara High School and a new elementary school focused on science, technology, engineering, art, and math.

But more must be done. Some schools have been upgraded to current standards, but most of our 28 schools have not. Measure BB will allow SCUSD to make critical upgrades to classrooms and student safety for ALL of our students.

Measure BB will:

- **Build** science and engineering labs and career technical education facilities so students are prepared for college and in-demand careers.
- **Repair** and replace leaky roofs, old rusty plumbing, and faulty electrical and air conditioning systems.
- **Upgrade** older schools so they meet the same safety and academic standards as newer schools.
- **Provide** the facilities and technology needed to support high-quality instruction in science, technology, engineering, art and math.
- **Improve** access to school facilities for students with disabilities.
- **Secure** school campuses.

SCUSD has delivered previous bond projects on time and under budget, and allowed its parcel tax to expire, saving taxpayer dollars.

Measure BB will continue this tradition of fiscal discipline. NO funds can be spent on administrators' salaries or pensions, and an Independent Citizens' Oversight Committee and mandatory audits ensure funds are spent properly. All funds must stay local to benefit SCUSD schools and students only.

Whether you have children in school or not, protecting the quality of our local public education is a wise investment for your property values and community.

ARGUMENT IN FAVOR OF MEASURE BB-Continued

Stand with local businesses, civic leaders, teachers, parents, and neighbors. **VOTE YES ON MEASURE BB.**

SupportSantaClaraSchools.org

/s/ Teresa O'Neill
Santa Clara City Councilmember

/s/ Nicholas Kaspar
President/CEO, Santa Clara Chamber of Commerce

/s/ Corinne Sanfilippo
63-year Santa Clara Resident, National Parent Teacher Association
Member

/s/ Jim Van Pernis
Chair, SCUSD Bond Oversight Committee

/s/ Shanta Dominguez
Parent, Community Volunteer

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE BB

SCUSD gets 32% of our base property taxes (\$322 of the \$1,000 per \$100,000 assessed value) plus \$70.70 per \$100,000 from four existing bonds. Measure BB adds another \$50 per \$100,000 for 32 years. That's \$440.70 per \$100,000, or \$2,203.50 for the average \$500,000 home in just the first year. With annual 2% increases in assessed value, a property worth \$500,000 will pay more than \$11,000 in Measure BB taxes over 32 years.

Measure BB's \$720 million in bond principal balloons into \$1,448,643,639 considering SCUSD's debt ratio of 2:1.

California's Constitution is clear: bond measures must include "A list of the specific facilities projects to be funded." Measure BB contains no guaranteed specific projects. This repeats the vague wording of SCUSD's 2014 bond, in which the district did not keep promises to build new schools and reopen closed schools. Measure BB asks us to pay for projects already paid for through prior bonds.

Some Measure BB items are deferred maintenance projects; Education Code requires school districts to use deferred maintenance funds for such projects, not bonds.

Although the large influx of students predicted by SCUSD in 2014 did not occur, over the last 5 years the district's general fund revenues and spending doubled. The district is once again deficit spending; this does not demonstrate fiscal discipline.

Increased bond debts do not increase student achievement. Despite \$819 million in bonds since 2004, student outcomes have held steady. Measure BB serves special interests, not students.

Please vote no on Measure BB.

FOR MORE INFORMATION VISIT WWW.SCCLP.ORG

/s/ Jennifer Imhoff
Chair, Libertarian Party of Santa Clara County

/s/ Mark Hinkle
President, Silicon Valley Taxpayers Association

/s/ Christine Koltermann
Former President, SCUSD Board of Education

/s/ Ketra Oberlander
District Resident, Retiree

ARGUMENT AGAINST MEASURE BB

Can you afford a 5% increase in your assessed value property taxes for the next 32 years? Measure BB seeks to increase our current bond taxes from \$70.70 per \$100,000 to **\$132.80 per \$100,000 of assessed value, an increase of 60%** in SCUSD bond taxes. Our community's total additional debt burden from Measure BB will be about \$1,448,643,639 over 32 years, including bond principal, financing, and interest.

There are no exemptions for anyone from this tax, regardless of ability to pay. For the current average assessed value of \$500,000, **Measure BB increases SCUSD bond taxes from \$414 to \$664** in the first year; the total will rise each year with the allowable 2% Prop 13 increase in assessed value.

Currently, we have 4 SCUSD bonds on our property taxes, including \$819 million in bonds added since 2004. Measure BB will be SCUSD's 5th bond, and the 18th additional assessment on our property taxes. Families are moving away due to high housing costs; Measure BB increases our already onerous taxes.

By state law, bond measures must include a specific list of projects'. Measure BB gives a laundry list of possible projects, without guarantees or prioritization; many projects are duplicates of projects named in prior bonds.

We expect transparency from the district regarding spending of our bond dollars. While an oversight committee and annual audits are promised for each bond, most of the bond audits and oversight meeting minutes are missing from the district's website. We currently can't tell how our bond dollars are being spent.

While paying off 4 district bonds already on our property taxes, do we have room to pay for a 5th bond? You can be for students, for schools, and against a burdensome new bond we can't afford. Please vote No on Measure BB.

/s/ Jennifer Imhoff
Chair, Libertarian Party of Santa Clara County

/s/ Mark Hinkle
President, Silicon Valley Taxpayers Association

/s/ Christine Koltermann
Former SCUSD School Board President

/s/ Donald Cormier
Resident

/s/ Ketra Oberlander
District Resident, Retiree

REBUTTAL TO ARGUMENT AGAINST MEASURE BB

Measure BB's opponents are either misinformed about the District's management or being intentionally deceptive. These few opponents include a minor political party that advocates "free-market education" and a private high school teacher.

Don't be deceived, and don't let them tell you that our community's students aren't worth the investment.

Here are the FACTS:

FACT: Santa Clara Unified School District is paying down its current bonds at a **faster rate** and **at lower expense** than what was asked of voters. SCUSD's fiscal responsibility has resulted in taxpayer savings of \$434 million, with the median single-family home saving almost \$500 on last year's tax bill.

FACT: SCUSD did not ask voters to renew Measure A when it expired in June 2017, saving homeowners another \$84 on their annual property taxes.

FACT: The quality of SCUSD schools is a major reason why property values in Santa Clara have nearly tripled since 2012, while home values in other Santa Clara County cities have only doubled.

FACT: Measure BB will build needed schools and improve the quality of school facilities, which improves the quality of education and the value of our homes.

Santa Clara Unified's facility needs are significant and urgent. We must act now.

Measure BB will:

- **Provide** the facilities and technology needed for high-quality instruction and prepare students for college and careers;
- **Repair** and upgrade essential school facilities (like leaky roofs, rusty plumbing, and faulty electrical systems);
- **Secure** school campuses; and
- **Improve** access for students with disabilities.

Measure BB is a wise investment in our children and our community. VOTE YES on MEASURE BB.

SupportSantaClaraSchools.org

/s/ Teresa O'Neill
Santa Clara City Councilmember

/s/ Tim Towers
Former Chair, SCUSD Bond Oversight Committee

/s/ Jim Canova
SCUSD School Board Member

/s/ Kathy Watanabe
Vice-Mayor, City of Santa Clara

/s/ Steve Lodge
Former Santa Clara Police Chief