

FRANKLIN-MCKINLEY SCHOOL DISTRICT

MEASURE R

To improve the quality of education at local schools, shall Franklin-McKinley School District acquire/construct/modernize/repair classrooms, infrastructure, facilities, and fields improving all student access, including those with disabilities, to modern facilities, technology, teaching, and safety improvements, by issuing \$80,000,000 of bonds at legal interest rates, raising approximately \$5.2 million annually through 2050 at rates of approximately 3 cents per \$100 assessed value, with annual audits, citizens' oversight, and No money taken by the State?

BONDS—YES

BONDS—NO

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE R

California law permits school districts to issue bonds with the approval of 55 percent of the voters. These bonds are paid by the levy of *ad valorem* taxes—a tax based on assessed value—on property within a district. Such bonds may only be used for 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 Franklin-McKinley School District (District) proposes issuing bonds in the amount of \$80,000,000 for the purposes of acquiring, constructing, modernizing, and repairing classrooms, infrastructure, facilities, and fields improving all student access, including those with disabilities, to modern facilities, technology, teaching, and safety improvements.

As identified in the Measure, projects may include but are not limited to:

- Fixing aging classrooms, bathrooms, and leaky roofs.
- Constructing new classrooms to replace outdated portable classrooms.
- Upgrading playgrounds and playfields for school and community use.
- Replacing outdated security systems, fire alarms, and sprinklers.
- Upgrading elementary and middle school security.
- Making health, safety, and accessibility improvements.
- Ensuring that all students get access to computers and instructional technology.
- Fixing outdated electrical wiring, improving science and computer labs, and improving access to computers.

A full list of projects appears in the full text of the ballot measure. Projects costs include the costs of furnishing and equipping such facilities, and all costs which are incidental, but directly related, to the types of projects described above.

The Board has certified that it has evaluated safety, class size reduction, and information technology needs in developing its project list.

Under the California Constitution, these bond funds cannot be used for teacher and administrator salaries or other school operating expenses.

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE R-Continued

The District also must conduct independent annual performance and financial audits. State law requires the District to have an independent citizens' oversight committee to help make sure bond funds are spent only for projects included in the Measure. Some of the projects may require state matching funds for completion.

The District's stated best estimate of the highest tax rate to be levied to repay the proposed bonds is \$29 per \$100,000 of assessed value based on estimated assessed valuations available at the time of the filing of the tax rate statement of the Measure. The District estimates that the total amount repayable during the life of the bond, including principal and interest, will be approximately \$162,200,000.

Measure R was placed on the ballot by the Board.

A "yes" vote is a vote to authorize the issuance of the bonds in the amount of \$80,000,000 to be secured by the levy of *ad valorem* 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: Mary E. Hanna-Weir
Deputy County Counsel

COMPLETE TEXT OF MEASURE R

Upon the passage of Measure R, the Franklin-McKinley School District (the "District") shall be authorized to issue bonds in the aggregate amount of \$80,000,000 (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

At its November 12, 2019 meeting, the Board of Education (the "Board") certified that it evaluated safety, class size reduction, and information technology needs in developing the list of 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.

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

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 list of authorized Projects or other high priority capital outlay expenditures as permitted in Education Code section 17070.63(c).

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

Renovation, Repair and Upgrade Projects

Goal and Purpose: Many local elementary and middle schools need significant repairs. This measure will fix aging classrooms, bathrooms, and leaky roofs, replace outdated security systems, fire alarms and sprinklers so children can learn in safe, healthy classrooms.

- Repair or replace leaky roofs
- Replace outdated heating, ventilation and air-conditioning systems

COMPLETE TEXT OF MEASURE R-Continued

- Modernize or construct classrooms, science labs, and school facilities to accommodate growth in student enrollment
- Make energy-efficiency improvements throughout the District, including installing solar panels to reduce utility costs
- Construct new classrooms to replace outdated portable classrooms
- Upgrade playgrounds and playfields for school and community use
- Make health and safety improvements to facilities, such as replacing aging building materials, including removal of hazardous materials identified either prior to or during construction including asbestos, and seismic reinforcements
- Upgrade, expand, construct, repair and/or equip school facilities, including library/media centers, labs, multipurpose rooms, and other school facilities
- Renovate, repair, expand and/or upgrade the interior and/or exterior of existing outdated classrooms, restrooms and school facilities
- Modernize outdated classroom interiors including new paint, carpet/vinyl, white marker boards, tackable surface and increased secure storage capacity for instructional materials and equipment

Improve Student Safety and Security Projects

Goal and Purpose: The District needs to upgrade elementary and middle school security to keep children and teachers safe. This measure funds upgrades to fire alarms and sprinklers, and up-to-date security systems to prevent intruders from entering campuses, and improves security and communication systems for emergency school lockdowns.

- Make improvements to school safety and security, including fire alarms, sprinkler systems, school communication systems, security cameras, surveillance systems, lighting and fencing
- Make health, safety and handicapped accessibility improvements
- Upgrade security systems and fire alarms
- Improve student safety at drop-off and pick-up areas
- Federal and State-mandated Occupational Safety & Health Administration (OSHA) safety upgrades, including playground equipment replacement
- Ensure and upgrade handicapped accessibility to District facilities, including to meet all federal and state-mandated Americans with Disabilities Act (ADA) accessibility to schools, and as mandated by the Division of the State Architect (DSA), including upgrades to site access, parking, staff and student restrooms, relocation of certain existing electrical devices, drinking fountains, playground equipment, and other necessary improvements
- Upgrade, repair and/or expand school site parking, roadways, grounds and other infrastructure such as utility systems, including installing exterior lighting, repairing pathways, walkways, ADA access ramps and related landscaping

COMPLETE TEXT OF MEASURE R-Continued

District-Wide Instructional Technology and Wiring Projects To Provide a 21st Century Education

Goal and Purpose: This measure will ensure that all students get access to computers and the instructional technology in the classroom they need. It will fix outdated electrical wiring, improve science and computer labs, and improve access to computers.

- Improve student access to computers and modern technology, including providing all necessary infrastructure, hardware, software, computers, devices and other modern instructional equipment
- Replace inadequate wiring and electrical systems to meet current electrical and accessibility codes, increase capacity, and relieve currently overloaded electrical systems.

In addition to the Projects listed above, authorized Projects also include the acquisition of land, instructional, maintenance and operational furniture and equipment; preparation of all facilities planning and project implementation studies, feasibility and assessment reviews, master planning, and environmental studies; acquisition of temporary housing for displaced 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.

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.

Further, 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.

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 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.

COMPLETE TEXT OF MEASURE R-Continued

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, including 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 Education 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.

Single Purpose. All of the purposes enumerated in this Bond measure shall be united and voted upon as one single measure, 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 R does not guarantee that the proposed Projects that are the subject of Bonds under Measure R will be funded beyond the local revenues generated by Measure R. 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

An election will be held in the Franklin-McKinley School District (the "District") on March 3, 2020, to authorize the sale of up to \$80,000,000 in bonds (the "Bonds") of the District to continue improving the quality of education in local elementary and middle 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 three 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 2.9¢ per \$100 (\$29.00 per \$100,000) of assessed valuation. The final fiscal year in which the tax is anticipated to be collected is 2049-2050.

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 2.9¢ per \$100 (\$29.00 per \$100,000) of assessed valuation which would first occur in fiscal year 2020-2021.

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 \$162,200,000. This estimate is based on assumptions that interest rates will increase over time, and the Bonds will have a maximum term of 25 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.

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: Nov.12, 2019

Juan Cruz
Superintendent, Franklin-McKinley School District

ARGUMENT IN FAVOR OF MEASURE R

Vote YES on Measure R to repair and update local schools, providing all our students with the opportunity to learn in safe, modern classrooms.

Franklin-McKinley School District provides students with a high quality education, preparing them for high school, college, and future careers. However, our schools require essential repairs and upgrades to improve student safety and to ensure that all students have equal access to modern classrooms and labs.

Measure R invests in a better future for our students by providing access to 21st Century classrooms and labs, in a safe environment. Investing in our elementary and middle schools will help maintain property values in our community. Measure R will create local construction jobs and generate revenue for our local businesses.

Measure R provides locally controlled funding for school facilities improvements that the State cannot take away. Measure R will also provide needed additional classrooms to reduce overcrowding and provide top quality science, technology, engineering, and math (STEM) education so that our students are prepared to excel in the 21st Century.

Vote YES on Measure R to:

- Repair or replace leaky roofs
- Construct STEM labs
- Make energy-efficient improvements to reduce utility costs
- Make health, safety, and accessibility improvements
- Replace aging, inefficient heating and air conditioning systems
- Construct classrooms, restrooms, and school facilities to reduce overcrowding
- Construct new classrooms to replace outdated portables

Measure R includes strict fiscal accountability measures:

- All funds will benefit our local schools and cannot be taken away by the State
- No funds can be used for administrators' salaries, benefits, or pensions
- Citizen oversight and annual public audits will ensure funds are spent as promised

Measure R repairs and updates local schools, improves the education of local students, and maintains the quality of our community. Please join parents, teachers, and community leaders in voting YES on Measure R!

Kathleen M. King
CEO, Healthier Kids Foundation

Phillip W. Rentería
Citizens Bond Oversight Committee President

Dario Lomeli
CSEA President Chapter 502

Buu Thai
Former Franklin-McKinley School District Board Member

Maya Esparza
City of San Jose Councilmember, District #7

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE R	ARGUMENT AGAINST MEASURE R
<p>How greedy can you get?</p> <p>In 2016, we voters granted the District \$67,400,000 in bond debt to "improve safety," not long after we approved \$50,000,000 in 2010 to "improve access for persons with disabilities" and "repair outdated electrical systems."</p> <p>Now District trustees want another \$80 million to do the same things—all over again?!</p> <p>Do schools really need upgrading every 4-6 years?</p> <p>Have they even spent the \$67,400,000 from 2016 or the \$50,000,000 from 2010?</p> <p>If not, why are they asking you to vote for more debt?</p> <p>Budgets demonstrate an organization's priorities. Franklin-McKinley School District is saying that every educational dollar spent today is going to a higher priority than to "improve safety."</p> <p>Do you agree?</p> <p>Education Data Partnership (www.Ed-Data.org) shows enrollment of at least 10,596 students in the district, which means <u>this tax bond would cost \$7,550 per student</u>, on top of the burdens of \$6,360 per student from 2016 and \$4,718 per student from 2010—that's not counting interest payments.</p> <p>Would you take out a 25-to 30-year loan to buy a personal computer? Nuts, right? But that's what the District is asking you to do when they propose tax bonds to purchase technology that will be obsolete in 4-6 years.</p> <p>You deserve to know the full story on Measure R.</p> <p>If you value children's health and safety over funding tax-free shelters for bond funds and big banks, then <u>vote NO on Measure R.</u></p> <p>For more information: www.SVtaxpayers.org</p> <p>Mark W.A. Hinkle President: Silicon Valley Taxpayers Association</p>	<p>How greedy can you get?</p> <p>In 2016, we voters granted the District \$67,400,000 in bond debt to "improve safety," not long after we approved \$50,000,000 in 2010 to "improve access for persons with disabilities" and "repair outdated electrical systems."</p> <p>Now District trustees want another \$80 million to do the same things—all over again?!</p> <p>Do schools really need upgrading every 4-6 years?</p> <p>Have they even spent the \$67,400,000 from 2016 or the \$50,000,000 from 2010?</p> <p>If not, why are they asking for more of our hard-earned tax dollars?</p> <p>When tax bond measures like Measure R are put before us voters, trustees are admitting that everything they are already spending our tax dollars on now, is more important than the projects for which this tax increase is being sought.</p> <p>Budgets demonstrate an organization's priorities. Franklin-McKinley School District is saying that every educational dollar spent today is going to a higher priority than to "improve safety."</p> <p>Do you agree?</p> <p>Education Data Partnership (www.Ed-Data.org) shows enrollment of at least 10,596 students in the district, which means <u>this tax bond would cost \$7,550 per student</u>, on top of the burdens of \$6,360 per student from 2016 and \$4,718 per student from 2010—that's not counting interest payments.</p> <p>Would you take out a 25-to 30-year loan to buy a personal computer? Nuts, right? But that's what the District is asking you to do when they propose tax bonds to purchase technology that will be obsolete in 4-6 years.</p> <p>You deserve to know the full story on Measure R.</p> <p>If you value children's health and safety over funding tax-free shelters for bond funds and big banks, then <u>vote NO on Measure R.</u></p> <p>If you value school maintenance over making interest payments for 25-30 years, <u>please vote NO on Measure R.</u></p> <p>For more information: www.SVtaxpayers.org</p> <p>Mark W.A. Hinkle President: Silicon Valley Taxpayers Association</p>

REBUTTAL TO ARGUMENT AGAINST MEASURE R

Don't let the lone opponent mislead you. He doesn't know the facts, doesn't even live in our community, and submits a nearly identical argument against every school district in Santa Clara County.

The truth is that Measure R funds are guaranteed to go right where they're needed—to **improve Franklin-McKinley classrooms** and **support local students**.

Here are the **FACTS**:

- Franklin-McKinley School District has a proven and verifiable track record of spending funds properly. The independent citizens oversight committee and mandatory annual audits consistently confirm that funds have been used as promised. Measure R continues these accountability protections.
- We've always known that prior bonds wouldn't complete all repairs needed at our 50-60 years old schools. According to the plan, these measures completed the initial phase of improvements, which eliminate costly repairs, saving scarce resources to support teachers and classroom programs. Measure R funds the next phase of work.
- Measure R supports modern classrooms local students need for college and today's careers. Measure R upgrades technology infrastructure to support modern learning technology—not short lifespan devices.
- Interest rates are near historic lows. Passing Measure R now takes advantage of low interest rates to save taxpayers millions.
- No other source of funding exists to renovate our schools. Without Measure R our schools continue to age and repairs become more expensive.

Measure R protects quality education in local schools and ensures our students have safe and up-to-date classrooms. Every dollar stays right here in Franklin-McKinley, benefitting local schools and local students.

Our students deserve an outstanding education. Please vote YES on R.

Maya Esparza
City of San Jose Councilmember, District #7

Kathleen M. King
CEO, Healthier Kids Foundation

Dario Lomeli
CSEA President Chapter 502

Buu Thai
Former Franklin-McKinley School District Board Member

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