

## **SAN LUIS COASTAL UNIFIED SCHOOL DISTRICT FULL TEXT OF MEASURE D-14**

This proposition may be known and referred to as the San Luis Coastal Unified School District General Obligation Bond of 2014, or Measure D-14.

### **BOND AUTHORIZATION**

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the San Luis Coastal Unified School District (the "District") shall be authorized to issue and sell bonds of up to \$177 million in aggregate principal amounts to provide financing for the specific school facilities projects listed in the Bond Project List below, and in order to qualify to receive State matching grant funds, subject to all of the accountability safeguards specified below.

### **ACCOUNTABILITY SAFEGUARDS**

The provisions in this section are specifically included in this proposition in order that the District's voters and taxpayers may be assured that their money will be spent wisely to address specific facilities needs of the District, all 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 Board of Education hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Bond Project List.

Limitation on Use of Bond Proceeds. The State of California does not have the power to take locally approved school district bond funds for any State purposes. The Constitution allows proceeds from the sale of bonds authorized by this proposition to be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities listed in this proposition, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff only when performing work on or necessary and incidental to the bond projects.

Independent Citizens' Oversight Committee. The Board of Education shall establish an independent Citizens' Oversight Committee (pursuant to Education Code Section 15278 and following), to ensure bond proceeds are spent only for the school facilities projects listed in the Bond Project List. The committee shall be established within 60 days of the date on which the Board of Education enters the election results on its minutes.

Annual Performance Audits. The Board of Education shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in the Bond Project List.

Annual Financial Audits. The Board of Education shall conduct an annual, independent financial audit of the bond proceeds (which shall be separate from the District's regular annual financial audit) until all of those proceeds have been spent for the school facilities projects listed in the Bond Project List.

Special Bond Proceeds Account; Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board of Education shall take actions necessary pursuant to Government Code Section 53410 and following to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent or the Chief Business Official of the District (or such other employee as may perform substantially similar duties) shall cause a report to be filed with the

Board no later than December 31 of each year, commencing January 1 of the year in which bonds are first issued, stating (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as such officer shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board.

### **FURTHER SPECIFICATIONS**

Specific Purposes. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Education Code Section 15100, and shall constitute the specific purposes of the bonds; and proceeds of the bonds shall be spent only for such purposes, pursuant to Government Code Section 53410.

Joint Use. The District may enter into agreements with the County of San Luis Obispo, City of Morro Bay, City of San Luis Obispo, or other public agencies or nonprofit organizations for joint use of school facilities financed with the proceeds of the bonds in accordance with Education Code Section 17077.42 (or any successor provision). The District may seek State grant funds for eligible joint-use projects as permitted by law, and this proposition hereby specifies and acknowledges that bond funds will or may be used to fund all or a portion of the local share for any eligible joint-use projects identified in the Bond Project List or as otherwise permitted by California State regulations, as the Board of Education shall determine.

Rate of Interest. The bonds shall bear interest at a rate per annum not exceeding the statutory maximum, payable at the time or times permitted by law.

Term of Bonds. The number of years the whole or any part of the bonds are to run shall not exceed the legal limit, though this shall not preclude bonds from being sold which mature prior to the legal limit.

### **BOND PROJECT LIST**

The Bond Project List below describes the specific projects the San Luis Coastal Unified School District proposes to finance with proceeds of the bonds. Listed projects will be completed as needed at a particular school site according to Board-established priorities, and the order in which such projects appear on the Bond Project List is not an indication of priority for funding or completion. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. Certain construction funds expected from non-bond sources, including State grant funds for eligible projects, have not yet been secured. Until all project costs and funding sources are known, the Board of Education cannot determine the amount of bond proceeds available to be spent on each project, nor guarantee that the bonds will provide sufficient funds to allow completion of all listed projects. Completion of some projects may be subject to further government approvals or appropriation by State officials and boards, to local environmental review, and to input from the public. For these reasons, inclusion of a project on the Bond Project List is not a guarantee that the project will be funded or completed.

Unless otherwise noted, the projects in the Bond Project List are authorized to be completed at each or any of the District's sites, as shall be approved by the Board of Education. Furthermore the District references herein the Facilities Master Plan adopted by the Board of Education at its June 24, 2014, board meeting as the basis for the bond projects.

The District's goal in establishing the project list is to provide equity among local schools so that all children have the opportunity to excel academically. Furthermore, the projects should ensure that students who plan to go to college are prepared to succeed, and those who don't

plan to go to college receive the career training they need to compete for good paying jobs in science, technology and the trades.

The following is a list of District schools and their first date of construction:

- Baywood Elementary - 1975
- Bellevue-Santa Fe Elementary - 1964
- Bishop's Peak Elementary - 1950
- Del Mar Elementary - 1960
- Hawthorne Elementary - 1961
- Los Ranchos Elementary - 1958
- Monarch Grove Elementary - 1991
- Morro Elementary - 1935
- Pacheco Elementary - 1953
- Sinsheimer Elementary - 1953
- C.L. Smith Elementary - 1962
- Sunnyside Elementary - 1953
- Teach Elementary - 1948
- Laguna Middle School - 1968
- Los Osos Middle School- 1975
- Morro Bay High School - 1958
- Pacific Beach High School - 1938
- San Luis Obispo High School - 1936

Specific project improvements at:

**Morro Bay High School (first built in 1958):**

- Provide updated career or technical education programs for job readiness;
- Repair or replace leaky roofs;
- Improve student access to computers and modern technology;
- Construct, upgrade, and renovate science, technology, engineering, and math classrooms and labs;
- Modernize and upgrade outdated academic classrooms, labs and shops;
- Upgrade inadequate electrical systems;
- Make energy efficiency and water conservation improvements including updating outdated windows, lighting, heating, ventilation, and air conditioning systems;
- Renovate, upgrade, and construct student support facilities including restrooms, library, cafeteria/multi-purpose room, student services/school offices, plaza/quad area, and performing arts building;
- Upgrade, modernize and construction athletic fields and facilities for school and community use including a new pool, all-weather track, gymnasiums, locker rooms, stadium and tennis courts;
- Make health, safety and handicapped accessibility improvements throughout the campus;
- Repair deteriorating plumbing and sewer systems;
- Upgrade security systems and fire alarms;
- Improve student safety by upgrading or constructing new drop-off/pick-up areas, and parking;
- Construct new classrooms to replace outdated temporary portable classrooms, as needed

Specific project improvements at:

**San Luis Obispo High School (first built in 1936):**

- Provide updated career and technical education programs for job readiness;
- Construct, upgrade, and renovate science, technology, engineering, and math classrooms and labs;
- Repair or replace leaky roofs;
- Improve student access to computers and modern technology;
- Modernize and upgrade outdated academic classrooms, labs and shops;
- Upgrade inadequate electrical systems;

- Upgrade, modernize and construction athletic fields and facilities for school and community use including a new pool, all-weather track, gymnasiums, locker rooms, stadium and tennis courts;
- Make energy efficiency and water conservation improvements including updating outdated windows, lighting, and heating, ventilation, and air conditioning systems;
- Renovate or construct student support facilities including restrooms, library, cafeteria, kitchen, student services/school offices, multipurpose room, and performing arts/music;
- Make health, safety and handicapped accessibility improvements throughout the campus.
- Repair deteriorating plumbing and sewer systems.
- Upgrade security systems and fire alarms.
- Improve student safety by upgrading or constructing drop-off, pick-up areas, pedestrian walkways, and parking.
- Construct new classrooms to replace outdated temporary portable classrooms, as needed

Specific project improvements at:

**Pacific Beach High School, Laguna and Los Osos Middle Schools (first built in 1938, 1968 and 1975, respectively):**

- Construct, upgrade, and renovate science, technology, engineering, and math classrooms and labs;
- Provide updated career technical programs;
- Repair and replace outdated roofs;
- Construct new classrooms to replace outdated temporary portable classrooms, as needed;
- Make security improvements improving site entrances;
- Improve student safety by upgrading drop-off, pick-up areas, pedestrian walkways, and parking;
- Renovate and expand existing multipurpose buildings and gymnasiums;
- Make health, safety and handicapped accessibility improvements throughout the campus;
- Repair deteriorating plumbing and sewer systems;
- Upgrade security systems and fire alarms;
- Upgrade inadequate electrical systems;
- Renovate or construct student support facilities including restrooms, libraries, cafeterias, kitchens, student services, and school offices;

Specific project improvements at:

**Elementary Schools throughout the District:**

- Construct new classrooms to replace outdated temporary portable classrooms, as needed;
- Repair or replace leaky roofs;
- Improve student access to computers and modern technology;
- Modernize and upgrade outdated classrooms;
- Construct, upgrade, and renovate multipurpose rooms;
- Upgrade inadequate electrical systems;
- Repair deteriorating plumbing and sewer systems;
- Remove deteriorating portable classrooms;
- Make energy efficiency and water conservation improvements including updating outdated windows, lighting, heating, ventilation, and air conditioning systems;

- Renovate or construct student support facilities including restrooms, libraries, cafeterias, multi-purpose rooms, kitchens, student services, and school offices;
- Make health, safety and handicapped accessibility improvements throughout the campus;
- Make security improvements improving site entrances and fencing;
- Improve student safety by upgrading drop-off, pick-up areas, and parking;
- Upgrade security systems and fire alarms.

The listed projects will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs; program/project management; staff training expenses; and a customary contingency for unforeseen design and construction costs. In addition to the listed projects stated above, the list also includes the acquisition of a variety of instructional, maintenance and operational equipment, including the reduction or retirement of outstanding lease obligations and interim funding incurred to advance fund projects from the list; installation of signage and fencing; payment of the costs of preparation of all facility planning, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies (including environmental investigation, remediation and monitoring), design and construction documentation, and temporary housing of dislocated District activities caused by construction projects. In addition to the projects listed above, the repair and renovation of each of the existing school facilities may include, but not be limited to, some or all of the following: installation wiring, and electrical systems to safely accommodate computers, technology and other electrical devices and needs; upgrades or construction of support facilities, including administrative, physical education/athletic facilities, and performing arts buildings and maintenance yards; repair and replacement of fire alarms, emergency communications and security systems; resurfacing or replacing hard courts, pools, turf and irrigation systems, and campus landscaping and play fields; expand parking; install interior and exterior painting and floor covering; demolition; and construction of various forms of storage and support spaces; upgrade classrooms, bleachers, kitchens; repair, upgrade and install interior and exterior lighting systems; replace outdated security fences and security systems. The upgrading of technology infrastructure includes, but is not limited to, computers, projectors, portable interface devices, servers, switches, routers, modules, sound projection systems, laser printers, digital white boards, document projectors, upgrade voice-over-IP, call manager and network security/firewall, wireless technology systems, and other miscellaneous equipment and software. The allocation of bond proceeds will be affected by the District's receipt of State matching funds and the final costs of each project. In the absence of State matching funds, which the District will aggressively pursue to reduce the District's share of the costs of the projects, the District will not be able to complete some of the projects listed above. The budget for each project is an estimate and may be affected by factors beyond the District's control. Some projects throughout the District, such as gyms, fields, and performing arts facilities, may be undertaken as joint use projects in cooperation with other local public or non-profit agencies. The final cost of each project will be determined as plans and construction documents are finalized, construction bids are received, construction contracts are awarded, 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. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating more enhanced and operationally efficient campuses. Necessary site preparation/restoration may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property. Proceeds of the bonds may be used to pay

or reimburse the District for the cost of District staff when performing work on or necessary and incidental to bond projects and the costs of issuing the bonds. Bond proceeds shall only be expended for the specific purposes identified herein. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.

The Bond Project List shall be considered a part of this ballot proposition, and shall be reproduced in any official document required to contain the full statement of the bond proposition.

### **IMPARTIAL ANALYSIS OF MEASURE D-14**

This measure will determine whether the San Luis Coastal Unified School District ("the District") shall issue \$177 million in bonds for the purpose of improving school and education facilities within the District. The measure, placed on the ballot by the District's Board of Education, will become effective only if fifty-five percent (55%) of the voters vote "Yes" on the measure.

On November 7, 2000, the voters of California passed "Proposition 39," amending Article XIII A, section 1(b)(3) of the California Constitution. That amendment authorizes the District to incur bonded indebtedness for the purpose of financing the construction, reconstruction, rehabilitation, or replacement of school facilities, in accordance with certain accountability requirements. To implement the requirements of Proposition 39, the Legislature enacted the "Strict Accountability in Local School Construction Bond Act of 2000" (Ed. Code, § 15264, et seq.; hereafter referred to as "the School Bond Act").

If approved, this measure will authorize the District to issue up to \$177 million in general obligation bonds, which will bear interest at a rate not to exceed the annual limit permitted by law. Bond proceeds will be used to fund projects included in the Bond Project List (included in the full-text of the measure). The District's Board of Education has certified that it has evaluated safety, class size reduction, enrollment growth and information technology needs of the District in developing the Bond Project List, in accordance with the School Bond Act.

As required by law, the proceeds from the sale of the bonds will be used only for the 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, and not for any other purpose, including teacher and employee salaries and other school operating expenses. Approval of the bond measure does not guarantee that any particular project will be funded.

Principal and interest on the bonds will be payable from the proceeds of ad valorem taxes levied annually on taxable real property within the District. These taxes would be in addition to the property taxes currently levied on taxpayers within the District. The amount of the increased taxes each year would depend upon the amount needed to pay the principal and interest on the bonds. The District's Tax Rate Statement, which accompanies this analysis, reflects an estimate of the maximum property tax levies required to service the bonds. The actual tax rates may vary depending on the timing of sales, number of bonds sold at each sale, and increases in assessed valuations.

Performance and financial audits must be performed annually to ensure that bond proceeds are spent only as specified in the measure, and an independent citizens' oversight committee will monitor expenditures and provide additional oversight. Bond proceeds will be deposited in a separate account. As long as any bond proceeds remain unexpended, annual reports will be filed with the District's Board of Education stating the amount of bond proceeds received and expended in that year and the status of any project funded or to be funded from bond proceeds.

s/ RITA L. NEAL  
County Counsel

## TAX RATE STATEMENT FOR MEASURE D-14

An election will be held in the San Luis Coastal Unified School District (the "District") on November 4, 2014, to authorize the sale of \$177,000,000 in general obligation bonds. The following information is submitted in compliance with Sections 9400-9404 of the California Elections Code.

The best estimate of the tax rate that would be required 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 \$.0490 per \$100 (\$49.00 per \$100,000) of assessed valuation in fiscal year 2015-16.

The best estimate of the tax rate that would be required 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 \$.0490 per \$100 (\$49.00 per \$100,000) of assessed valuation in fiscal year 2022-23.

The best estimate of the highest tax rate that would be required to fund this bond issue, based on estimated assessed valuations available at the time of filing this statement, is \$.0490 per \$100 (\$49.00 per \$100,000) of assessed valuation.

These estimates are based on projections derived from information obtained from official sources. The actual tax rates and the years in which they will apply may vary depending on the timing of bond sales, the amount of bonds sold at each sale and actual increases in assessed valuations. The timing of the bond sales and the amount of bonds sold at any given time will be determined by the needs of the District. Actual assessed valuations will depend upon the amount and value of taxable property within the District as determined in the assessment and the equalization process.

s/ ERIC PRATER, Ed.D.  
Superintendent

## ARGUMENT IN FAVOR OF MEASURE D-14

Our schools are our most important community assets and should be our number one priority. Quality schools improve student achievement, property values, and neighborhood safety, and prepare students for productive futures. While teachers and staff do a great job educating local children, the San Luis Coastal Unified School District must renovate its aging schools for continued student safety and success.

Although our schools have been well maintained over the years, including major renovations and upgrades to elementary and middle schools in the 1990s, many outdated classrooms and facilities throughout the District require upgrades to meet 21st century standards. All our schools need some improvement, but our high schools currently have the greatest needs. San Luis Obispo High, our oldest, includes buildings from 1936, nearly 80 years ago! Most Morro Bay High classrooms are over 50 years old.

Our schools need major classroom and infrastructure improvements to continue providing quality education to local students. By investing in our neighborhood schools, we can strengthen our community and meet today's safety, technology, and educational standards.

### **If passed, Measure D will:**

- Provide updated vocational education facilities for job readiness
- Construct and renovate classrooms, restrooms, facilities, and labs
- Repair and replace leaky roofs
- Improve student access to computers and modern technology
- Repair deteriorating plumbing and sewer systems

### **Measure D makes financial sense and protects taxpayers.**

- By law, spending must be reviewed and annually audited by an independent citizens' oversight committee.
- All funds must be spent locally and **cannot be taken by the State.**
- Funds are required to be spent only on schools, not for administrator or teacher salaries.

Measure D upgrades and renovates old and inadequate classrooms, improves the education of local children, and maintains the quality of our community. That's something we can all support. Please join us and VOTE YES ON MEASURE D!

s/ Diana Barnhart, California Teacher of the Year, 2006; Retired SLCUSD Teacher; San Luis Obispo Resident

s/ Amy Burton, Del Mar PTA Board Member; SLCUSD Parent; Morro Bay Resident

s/ Brian Clausen, CEO, Experts Exchange; SLCUSD Parent and SLO Resident; Board of Directors, SLO Chamber of Commerce

s/ Jim Quesenberry, President, SLCUSD Board of Trustees; Grandparent; Los Osos Resident

s/ John Spatafore, Attorney, Community Volunteer; Parent and Former SLCUSD Board Member; San Luis Obispo Resident

**NO ARGUMENT AGAINST MEASURE D-14 WAS SUBMITTED**