

**CENTER UNIFIED SCHOOL DISTRICT
MEASURE N**

NTo acquire, construct, and improve school facilities, including building new schools and classrooms to reduce student overcrowding, improving existing schools for greater energy efficiency and increased access to computers and technology, and qualify the District for approximately \$250,000,000 in State funds, shall the District issue up to \$500,000,000 in bonds at legal interest rates, with a citizen' oversight committee, annual audits, no money for administrator salaries, and provided funds cannot be transferred to the State?

"Approval of Measure N does not guarantee that the proposed project or projects in the Center Unified School District that are the subject of bonds under Measure N will be funded beyond the local revenues generated by Measure N. 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." Ed. Code §15122.5

IMPARTIAL ANALYSIS OF MEASURE N

Prepared by Sacramento County Counsel

Measure N, if approved by the voters, would allow the Center Unified School District ("District") to incur bonded indebtedness up to a maximum amount of \$500 million. The proceeds from the issuance and sale of such general obligation bonds could only be used 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.

No funds derived from bond sales may be used for general school operating expenses, including administrator and teacher salaries, or for any purpose or project other than those expressly stated in the measure. Measure N lists the school facility improvement projects within the District intended to be financed by bond sales.

To assure that funds are spent only as specified in the measure, Measure N requires: 1) the appointment of a citizen's oversight committee and 2) completion of annual independent performance and financial audits.

If Measure N is passed, the actual dates of sale and the amount of bonds sold would be governed by the District based on the need for construction funds and other factors. If Measure N is approved, the tax rates necessary for payment of principal and interest on any bonds sold will be largely dictated by the timing of the bond sales, the amount sold at a given sale, market interest rates at the time of each sale (although in no event greater than the maximum bond interest rate allowed by law), as well as actual assessed valuation of taxable property in the District over the term of repayment.

Passage of Measure N requires approval by fifty-five percent of the voters voting thereon.

FULL TEXT OF MEASURE N

**BOND MEASURE FOR CENTER
UNIFIED SCHOOL DISTRICT**

INTRODUCTION

"To acquire, construct, and improve school facilities, including

building new schools and classrooms to reduce student overcrowding, improving existing schools for greater energy efficiency and increased access to computers and technology, and qualify the District for approximately \$250,000,000 in State funds, shall the District issue up to \$500,000,000 in bonds at legal interest rates, with a citizens' oversight committee, annual audits, no money for administrator salaries, and provided funds cannot be transferred to the State?"

ACCOUNTABILITY MEASURES

If the bonds are approved, the Board of Trustees will implement the following accountability measures in accordance with State law:

- (a) Use the proceeds from the sale of the bonds only for the purposes of 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, as specifically set forth in this Exhibit A, but not for any other purpose, including board member, administrator, teacher, or staff salaries or benefits or other school operating expenses;
- (b) Conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the projects listed in this Exhibit A;
- (c) Conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for school facilities projects listed in this Exhibit A; and
- (d) Establish and appoint members to an independent citizens' oversight committee to ensure the bonds are used only for the projects listed in this Exhibit A.

SCHOOL FACILITIES PROJECTS TO BE FUNDED FROM BOND PROCEEDS

As required by the California Constitution, 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 administrator salaries and other school operating expenses. All new schools constructed in the Center Unified School District will have, when functionally, technologically and economically feasible, the following:

- 1. Renewable sources of energy as their primary source of power;
- 2. Environmentally sound building materials;
- 3. Irrigation and drainage systems that optimize water use efficiency and reuse;
- 4. Landscaping materials and vegetation that optimizes water use and native plant species; and
- 5. Shall utilize site designs that facilitate and accommodate access by bicycles and pedestrians.

The Board of Trustees hereby certifies that it has evaluated the safety, class-size reduction, and information technology needs of the District in developing this list of school facilities projects:

- Build new schools, including high schools, middle schools, and elementary schools;
- Improve existing schools;
- Acquire leased facilities;

- Furnish and equip schools; and
- To the extent possible, the District will seek joint-use funding to build specific buildings for school and community use.

TAX RATE STATEMENT

CENTER UNIFIED SCHOOL DISTRICT

An election will be held in the Center Unified School District (the "District") on November 4, 2008 to authorize the sale of up to \$500 million in bonds of the District to finance school facilities as described in the Measure. Principal and interest on the bonds 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.

1. The best estimate of the tax which would be required to be levied 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 0.923 cents per \$100 (\$9.23 per \$100,000) of assessed valuation in fiscal year 2012-13.

2. The best estimate of the tax which would be required to be levied 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 6.000 cents per \$100 (\$60.00 per \$100,000) of assessed valuation in fiscal year 2035-36.

3. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is 6.000 cents per \$100 (\$60.00 per \$100,000) of assessed valuation.

Voters should note that 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 and the years in which they will apply 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 need for construction funds and other factors. 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.

ARGUMENT IN FAVOR OF MEASURE N

Excellent school facilities in the Center Unified School District have been the key to opportunities and a better life. Seventeen years ago we passed a bond that allowed us to build and maintain quality schools. With that bond, the District has successfully leveraged over \$75,000,000 from the State to build local schools. Center schools are among the best in the Sacramento area.

Now, we need to plan for the next thirty years. Measure "N" will

maintain a balance by building new schools and classrooms as they become necessary while enhancing existing schools to the same standard. If we do not build new schools, overcrowding will negatively impact the education and welfare of our children.

Measure "N" will maintain our high quality schools. It will build new schools and classrooms to prevent student overcrowding and modernize all our existing schools to keep pace with the new schools being built.

Measure "N" makes financial sense. It will qualify the District for an additional \$250 million in State matching funds, improve property values and maintain the desirability of our community. It will provide safe and energy-efficient schools. It will ensure new homeowners in the District pay their fair share for school improvements, as they will pay the same tax rate as current residents have paid to maintain and improve schools.

Taxpayer safeguards will be in place. Measure "N" requires an independent citizens' oversight committee of parents, business leaders, senior citizens, and taxpayer advocates. Required annual financial and performance audits will ensure funds are only spent on voter-approved projects, not for employee salaries.

As taxpayers, we know it is crucial to have high quality local public schools with adequate facilities and oversight. Join parents, teachers, local businesses, and community leaders; vote yes on Center Unified School District Measure "N"!

s\ Janet R. Rutledge, Long-time Local Educator

s\ Matthew L. Friedman, School Board President

s\ Stephen J. Donnelly, Parent

s\ Dolores A. Serna, Grandparent

s\ Dominic Mecklenburg, Store Manager, Umpqua Bank

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE N

Measure N is an unnecessary, poorly-timed, and ill-defined TAX INCREASE. With interest, this bond will cost local taxpayers in this small district over one billion dollars! The Center Unified School District is already well-funded and they have not even been able to spend the bond funds that voters previously authorized.

The student population is actually DECLINING and they know it! The high-paid bond promoters talk about the need to "prevent student overcrowding" but there are over one thousand empty seats in existing classrooms. Fewer students should cost less, not more!

This bond is a tax increase for ALL homeowners in the District, not just new homeowners. New development should pay for itself, but this bond doesn't do that. Taxpayers in Antelope and Elverta receive no benefit from new schools for luxury developments in distant Placer County communities, so they should not be coerced into paying for them. The District could have charged only the new developments for their own new schools, but they ignored those alternatives because they want everyone to subsidize new development. That might make sense to wealthy campaign contributors, but taxpayers should not stand for it.

Measure N is a blank check for a well-funded District that doesn't need the money. If circumstances change, a new bond can be drafted to build new schools in the new neighborhoods that actually need them, without forcing existing homeowners to subsidize far-off developments.

Only your NO vote can stop this unfair tax increase!

- s\ Mike Spence, President,
California Taxpayer Protection Committee
- s\ Craig De Luz, President, Sacramento Republican Assembly
- s\ Tom Hudson, Chairman, Placer County Republican Party
- s\ Ken Payne, President,
Sacramento County Taxpayers League
- s\ Lewis K. Uhler, President,
National Tax Limitation Committee

ARGUMENT AGAINST MEASURE N

The LAST thing that Center Unified School District needs is higher taxes and more debt. This massive \$500 million dollar bond will cost over \$1 BILLION to pay back with interest. That's almost \$200,000 for each student in the District!

This District has not even been able to issue all the bond funds that voters previously authorized because the assessed valuation of all property in the District is too low. Now they want approval for another bond they can't afford? This is insane!

The proponents claim this tax increase is necessary for anticipated growth in Placer County, but why should middle-class Sacramento County residents subsidize luxury homes in gated communities in Placer County? New developments should pay for themselves. Residents of Antelope and Elverta receive no benefit from new schools 15 miles away in Placer County. No wonder the District has refused to provide details about where the bond money will be spent!

Center Unified is not starved for funds. The District has enjoyed years of record-breaking property tax revenue growth. California schools now spend around \$12,000 per student per year (\$420,000 for a classroom of 35 students!) but even this unbelievably generous funding is not enough to satisfy school administrators and union bosses.

We keep hearing that new funds are needed to pay for growth, but the student population has been declining for years. There are over 1,000 empty seats in existing classrooms. Fewer students should cost less, not more!

When the student population stops declining and begins to grow, there will be plenty of time to approve funding for specific new schools in the neighborhoods where they are actually needed. Until then, voters should not give this District a blank check for \$1 billion in new taxes.

Please vote NO on Measure N

- s\ Mike Spence, President,
California Taxpayer Protection Committee
- s\ Craig De Luz, President, Sacramento Republican Assembly
- s\ Tom Hudson, Chairman, Placer County Republican Party

REBUTTAL TO ARGUMENT AGAINST MEASURE N

Center schools are among the best in the Sacramento area. We need Measure N to protect our investment in our schools and maintain our commitment to high quality education.

Measure N funds will be used to maintain our schools at a high quality for years to come. Every existing school will receive repairs and upgrades, including improved health, safety and access to computers and modern technology.

We are proud to have eliminated student overcrowding and improved our schools. We have accomplished this without imposing costly "Mello-Roos" taxes that detract from home values. We need future homeowners to join us in paying their fair share to build new schools, prevent overcrowding and improve the quality of our education--without raising our existing taxes. Measure N will ensure that new residents will substantially contribute to the cost of building new schools as well as continually upgrading existing facilities. YES on Measure N will ensure we have the schools to provide an excellent education for our children now and in the future.

Measure N requires an independent citizens' oversight committee and annual audits to ensure money is used only for voter approved school improvements and repairs and not used for salaries, administration, and overhead.

Measure N benefits everyone because building new schools improves property values and maintains the desirability of our community. Adequate school facilities are the key to opportunities and a better life. We need to continue to maintain our schools and build new ones for growth.

Vote YES on Measure N!

- s\ Janet R. Rutledge, Long-time Local Educator
- s\ Matthew L. Friedman, School Board President
- s\ Stephen J. Donnelly, Parent
- s\ Dolores A. Serna, Grandparent
- s\ Dominic Mecklenburg, Store Manager, Umpqua Bank