



**East Side Union High School District
General Obligation Technology Bond Measure I
November 4, 2014 Ballot Language**

Full Text of 2014 Technology Bond Measure I

To increase student computer access; upgrade educational software; keep pace with 21st century technological innovations; and implement statewide testing requirements at Andrew Hill, Calero, Evergreen Valley, Foothill, Independence, James Lick, Mt. Pleasant, Oak Grove, Piedmont Hills, Santa Teresa, Silver Creek, Yerba Buena, W.C. Overfelt, Adult-Ed, alternative and District charter schools; shall East Side Union High School District issue \$113,200,000 of bonds with rates below legal limits, independent citizen oversight, and no funds for administrators or use by the State?

Bonds -- Yes

Bonds -- No

IMPARTIAL ANALYSIS BY COUNTY COUNSEL

The following impartial analysis was prepared for Measure I:

Upon approval of 55% of the votes cast by voters in an election and subject to specified accountability measures, California law permits school districts to issue bonds, secured by the levy of ad valorem taxes on property within a district, for the purpose 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.

The Board of Trustees (Board) of the East Side Union High School District (District) proposes issuing bonds in the amount of \$113,200,000. As identified in the measure, bond proceeds would be used for purposes including, but not limited to the following: (1) increasing computer access; (2) upgrading educational software; (3) keeping pace with 21st century technological innovations; and (4) implementing statewide testing requirements at Andrew Hill, Calero, Evergreen Valley, Foothill, Independence, James Lick, Mt. Pleasant, Oak Grove, Piedmont Hills, Santa Teresa, Silver Creek, Yerba Buena and W. C. Overfelt adult, alternative and District charter schools. A detailed list of projects and allowed expenditures is included within the full text of the measure. The District's resolution authorizing the sale and issuance of bonds does not include information about any other District debt obligations that may exist.

The California Constitution provides that proceeds of school district bond measures cannot be used for teacher and administrator salaries and other school operating expenses, and

requires independent annual performance and financial audits. State law requires the establishment of an independent citizens' oversight committee for ensuring that bond proceeds are expended only for the school facilities on the bond project list included in Measure I.

The District's estimate of the maximum tax rate to be levied to fund the proposed bond issue during each fiscal year is \$9.00 per \$100,000 of assessed value. This includes the fiscal year after the initial sale of the bonds (2015-2016), and the fiscal year after the final sale of the bonds (2030-2031).

Measure I was placed on the ballot by the Board.

A "yes" vote is a vote to authorize the issuance and sale of the bonds in the amount of up to \$113,200,000 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 and sale of the bonds in the amount of up to \$113,200,000 to be secured by the levy of ad valorem taxes on property located within the District.

BOND AUTHORIZATION

By approval of this proposition by at least 55 percent of the registered voters voting on the measure, the District will be authorized to issue and sell bonds of up to \$113,200,000 in aggregated principal at interest rates not in excess of the legal limit and to provide financing for the specific school facilities projects listed in the Bond Project List described below, subject to all the accountability requirements specified below.

The Bonds may be issued under the provisions of the California Education Code (starting at Section 15100), under the provisions of the California Government Code (starting at Section 53506), or under any other provision of law authorizing the issuance of general obligation bonds by school districts. The Bonds may be issued in series by the District from time to time, and each series of Bonds shall mature within the legal limitations set forth in the applicable law under which the Bonds are issued.

FINANCING PLAN

The District intends to use the Bonds to provide for an ongoing source of funding for the evolving educational technology needs of its students and staff. In addition, the District intends to match as closely as possible the term of each series of Bonds to the useful life of the technology equipment being financed. As such, the District anticipates that the amortization (or repayment period) of each series of Bonds will be approximately three years and will in no case be in excess of five years. Based on current assumptions, the District estimates that the proposed Bond will provide for its technological funding needs for approximately 18 years into the future.

All Bonds will be sold as current interest bonds and the use of capital appreciation bonds will not be permitted. No series of Bonds will be issued if such issuance would cause the tax rate

levied to pay debt service on all of the outstanding Bonds to exceed \$9.00 per year per \$100,000 of taxable property, based on projections made by the District at the time of issuance of such series of Bonds.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers in the District may be assured that their money will be spent wisely. Expenditures to address specific facilities needs of the District will be 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 Trustees of the District (the "Board of Trustees") has identified detailed facilities needs of the District and has determined which projects to finance from a local bond at this time. The Board of Trustees hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the Bond Project List shown below.

Independent Citizens' Oversight Committee. The Board of Trustees shall establish an Independent Citizens' Oversight Committee under Education Code Section 15278 and following to ensure that bond proceeds are expended only on the school facilities projects listed below. The committee will be established within 60 days of the date when the results of the election appear in the minutes of the Board of Trustees.

Performance Audits. The Board of Trustees shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed below.

Financial Audits. The Board of Trustees shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed below.

Annual Report. The Superintendent of the District will cause an annual report to be filed with the Board of Trustees, the first report to be filed not later than one year after the issuance of the first series of the bonds, which report will contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in this measure, as required by applicable California law.

Expenditure of Bond Proceeds. The proceeds from the sale of the District's bonds will be used only for the purposes specified in this measure, and not for any other purpose. Such proceeds will be deposited into a Building Fund to be held by the Santa Clara County Treasurer, as required by the California Education Code.

FURTHER SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of bonds authorized by this proposition shall be used only for the construction, reconstruction and/or rehabilitation of school facilities including the furnishing and equipping of school facilities or 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.

BOND PROJECT LIST

Scope of Projects. Bond proceeds will be expended to modernize, replace, renovate, acquire, install, equip, furnish, and otherwise improve educational technology equipment projects and supporting systems and software within the District. Projects which are described below include all related and incidental costs, including their share of the costs of the election and bond issuance and costs of design, engineering, architect and other professional services, inspections, site preparation, utilities, and other planning, legal, accounting and similar costs, independent annual financial and performance audits, a customary contingency, and other costs incidental to and necessary for completion of the listed projects.

Bond proceeds may also be expended to acquire equipment in any classroom or other educational facility within the District. The District may alter the scope and nature of any of the specific projects that are described below as required by conditions that arise overtime.

Whenever specific items are included in the following list, they are presented to provide examples and are not intended to limit the generality of the broader description of authorized projects. The order in which particular projects are listed is not intended to indicate priority for funding or completion.

Specific educational technology projects shall include but not be limited to:

Devices and Technology Systems

- Computers, computer tablets and peripheral hardware
- Classroom technology tools
- Smart boards
- Document cameras
- Wireless microphones
- Printers, copiers and scanners
- Teacher-parent communication systems
- Data backup systems
- Classroom and district-wide security system hardware
- Technology equipment for use in science labs

Software

- Educational software
- Student performance assessment software
- Telecommunications software
- Web site development and maintenance
- Vocational education training software
- Disaster recovery hardware and software
- Classroom and district-wide security software
- Document retention software

- Software related to the overall instructional services, business services, and human relation services of the District
- Remote learning software

Infrastructure

- Capital technology projects including but not limited to the wiring of data centers, classrooms and school facilities
- Computer and technology wiring, servers, routers, switches and other information devices
- District-wide wireless access infrastructure

Implementation

- Installation and upgrading of various technology systems
- Costs of providing training related to the use and implementation of technology projects
- Future technology projects as set forth in the District's Board approved technology plan

Projects Subject to Available Funding. The foregoing list of projects is subject to the availability of adequate funding to the District. Approval of the bond measure does not guarantee that the proposed projects in the District that are the subject of bonds under the measure will be funded beyond the local revenues generated by the bond measure. The District's proposal for the 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.