

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT MEASURE I

To alleviate overcrowding, renovate, repair, replace; acquire, and construct school buildings, meet fire/health/safety standards, provide wiring for computers, and provide needed mechanical improvements, shall the Sacramento City Unified School District issue \$225,000,000 in bonds at the lowest interest rates possible and appoint a citizens' oversight committee and an independent auditor to assure that funds are spent only on school and classroom improvements and for no other purposes?

IMPARTIAL ANALYSIS OF MEASURE I

Prepared by Sacramento County Counsel

Approval of Measure I would allow the Sacramento City Unified School District to incur bonded indebtedness up to a maximum amount of \$225 Million. The issuance and sale of such general obligation bonds would be for the specific purpose of repairing, improving, equipping; acquiring' and constructing classrooms and other school facilities, including meeting safety, class size reduction, enrollment growth, instructional programs and information technology needs. Measure I lists the school facility improvement projects within the District intended to be financed by bond sales:

No funds derived from bond sales could 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.

To assure that funds are spent only on school and classroom improvements and for no other purposes, this measure would require the District to: 1) deposit all bond sale funds into a specially created building fund account; 2) prepare an annual report on the amount of funds collected and expended and the status of any project required or authorized to be funded; 3) appoint a citizen's oversight committee; and 4) conduct annual independent performance and financial audits. The authority, responsibilities and membership composition of the citizen's oversight committee would be as prescribed by applicable state law.

The actual dates of sale and the amount of bonds sold would be governed by the District. The number of years that the whole or any part of such school district bonds are to run could not exceed the statutory maximum, calculated from the date of the bonds or any series thereof. If Measure I is approved, the tax rate 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 net interest rate allowed by law), as well as actual assessed valuation of taxable property in the District over the term of repayment.

Approval of Measure I does not guarantee that the identified projects will be funded beyond local revenues generated by the bond sales or that such local revenues will be sufficient to complete all of the proposed projects. Passage of Measure I requires approval by fifty-five percent of the voters voting thereon. '

COMPLETE TEXT OF MEASURE I

To alleviate overcrowding, renovate, repair, replace, acquire, and construct school buildings, meet fire/health/safety standards, provide wiring for computers, and provide needed mechanical improvements, shall the Sacramento City Unified School District issue \$225,000,000 in bonds at the lowest interest rates possible and appoint a citizens' oversight committee and an independent auditor to assure that funds are spent only on school and classroom improvements and for no other purposes? "

BOND AUTHORIZATION

By approval of this proposition by at least 55 percent of the registered voters voting on the proposition, the District will be authorized to issue and sell bonds of up to \$225 million in aggregated principal at interest rates below the legal limit and to provide financing for the specific school facilities projects listed in the Boric Project List described below, subject to all the accountability requirement: specified below.

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 Education 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 Education hereby certifies that it has evaluate(safety, class sizes, enrollment growth, instructional programs, and information technology needs in developing the Bond Project List shown below.

Independent Citizens' Oversight Committee. The Board of Education shall establish an Independent Citizens' Oversight Committee under Education Code Section 15278 and following to ensure 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 Education.

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 below.

Financial Audits. The Board of Education 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.

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

The Bond Project List shown below is a part of the ballot proposition and must be reproduced in any official document required to contain the full statement of the bond proposition.

The Sacramento City Unified School District will use bond funds for the following school facility projects

Modernize various school sites

Repair and renovate bathrooms at various school sites

Repair and replace deteriorated roofs at various school sites

Repair, upgrade and/or replace electrical systems at various school sites

Install technology upgrades at various school sites

Repair and replace deteriorated mechanical systems at various school sites

Repair and replace deteriorated equipment at various school sites

Repair and replace deteriorated plumbing and sewer systems at various school sites

Address facility safety, code compliance and access for the disabled at various school sites

Repair, upgrade and/or replace classrooms, portable classrooms and school facilities at various school sites to meet current standards

Implement parking lot, outdoor play equipment and field renovations at various school sites to comply with current safety standards

Expand multi-purpose rooms/cafeterias to accommodate student enrollment at various school sites

Construct classrooms to meet growth needs at various school sites
Construct and/or upgrade computer labs to enhance student learning and achievement at various school sites

Construct new elementary, middle and/or high schools as necessary to alleviate overcrowding

TAX RATE STATEMENT FOR MEASURE I

An election will be held in the Sacramento City Unified School District (the "District") on November 5, 2002, to authorize the sale of up to \$225,000,000 in general obligation bonds of the District to finance the acquisition and improvement of real property for school purposes. If the bonds are approved, the District expects to sell the bonds in five series over time. 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 average tax which would be required to be levied, to fund all series of bonds from the first series to the final principal maturity of the last series, based on estimated assessed valuations available at the time of filing of this statement, is 4.04 cents per \$100 (\$40.44 per \$100,000) of assessed valuation.

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 first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is 5.81 cents per \$100 (\$58.07 per \$100,000) of assessed valuation in fiscal year 2003-04.

3. The best estimate of the tax rate 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 5.62 cents per \$100 (\$56; 21 per \$100,000) of assessed valuation in fiscal year 2013-14.

4. 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 5.97 cents per \$100 (\$59.70 per \$100,000) of assessed valuation in fiscal year 2010-11.

Voters should note that estimated tax rate is based on the *ASSESSED VALUE* of taxable property on the County's official tax rolls, not on the property's market value, which could be more or less than the assessed value. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Certain taxpayers may also be eligible to postpone payment of taxes. Property owners should consult their own property tax bills and tax advisors 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 bond sold at any given sale, market interest rates at the time of each bond sale, and actual assessed valuations over the term of repayment of the bonds. The actual dates of sale of said bonds and the amount sold at any given time will be governed by the needs of the District 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.

Dated: July 15, 2002 Superintendent
Sacramento City Unified School District

ARGUMENT IN FAVOR OF MEASURE I

Sacramento City schools have improved: rising test scores, lower drop-out rates, and greater accountability. Our progress is a result of smaller class sizes, more parental involvement, and the largest school building modernization .in a generation.

But as things get better and Sacramento continues to grow, more families than ever are enrolling their children in our public schools. Today, overcrowding is one of our biggest challenges. Measure I meets that challenge.

We will build new elementary schools, a new middle school, and five small high schools -- allowing parents to choose a 'neighborhood school. This new construction, -along with completion of our modernization and repair programs, will allow Sacramento City Schools to stay on the road to excellence.

Measure I will nearly complete the rebuilding of our community's largest and most important. public infrastructure - our, schools. More classrooms mean fewer students in each one. And that allows teachers to give more individual attention to every child. Modernization means bringing every school up to state-of-the-art technology and safety standards. And Measure I's accountability requirements mean that money will be spent exactly as it's supposed to be. Please join us in moving Sacramento's City Schools forward. The future awaits us all.

Robert T. Matsui, Congressman

Jay Schenirer, Chairman, Sacramentans for Better Schools

Gloria Hernandez, Executive Director, Area Congregations Together (ACT)

Kevin Johnson, Founder, St. Hope Academy

Dave Leader, President, Sacramento Council of PTAs

REBUTTAL. TO ARGUMENT IN FAVOR OF MEASURE I

Their argument ignores two key facts: This new tax will cost over 400 million. The District has a poor track record for prudent spending of the 1999 Bond money.

This tax will cost the average property. owner an estimated \$3,941. That's approximately \$1,279 per person: For Renters, this cost will be factored into future rent increases. Double those taxes if you count the cost of the 1999 Bond already approved.

Repair waste examples: Paint blisters after one year. Roofs put on rotting wood, then replaced. Portable classrooms installed - instead of permanent classrooms at cheaper long-term cost. Shade trees ,removed and grass paved over. Electrical and plumbing work improperly done, creating safety hazards and costly repairs.

The Bond management team is inexperienced and overpaid. Cost overruns are as much as 20%. There is documented evidence of shoddy work, poor construction materials, and Work not done to code.

How much money is wasted?' No one knows. The Bond Oversight committee has not done its job. \$1 million is too much; \$50 million is more likely. Ask any teacher in the District for firsthand examples of repair money mismanagement. They will tell you the truth. .

The Bond Oversight Committee's November, 2001 minutes state: "the Committee wouldn't encourage another bond issuance, because the District is not ready." SCUSD has only spent 1/3 of the 1999 Bond money. Let's wait and see if their spending track record improves before approving more funds..

Please vote no on Measure "I".

Mark Whisler, President, Sacramento City Taxpayers' Rights League
Dennis Neufeld, Secretary-Treasurer, Sacramento City Taxpayers' Rights League
Robert Winger, Property Manager - Realtor@), Whisler Land Company
Albert Weaver, Colonial Heights Neighborhood Activist

ARGUMENT AGAINST MEASURE I

Please' consider these facts when making your decision to take on this new burdensome debt.

This bond (paid by, you in your taxes) will cost the average, property owner an estimated \$3,941..You can double that number if you count the Bond the voters just approved in 1999.

This Bond will cost each person approximately \$1,279. If you rent, this cost will be factored into future rent increases. Again, you can double that number if you count the 1999 Bond.

In the 1999 Bond measure the voters required a Bond Oversight Committee. The Committee has only met 8 times in 3 years. SCUSD required the meetings to be no more than 2 hours long. That is 16'hours of oversight in 3 years. The committee has not met with a quorum in over a year, and it has filed only one required annual report in the 3 years.

The Bond Oversight Committee's November, 2001 minutes state; "the Committee wouldn't encourage another bond issuance because the District is not ready."

The District chose to ignore annual State "Conflict of Interest" statements for the Bond Oversight Committee. All committee member conflicts (i.e. financial interest in matters before the Committee, contractor relationships, SCUSD employee relationships, etc) have been kept secret.

The 1999 Bond measure also required an annual audit. No audits of how the Bond moneys have been spent have been done in three years. What are they hiding? SCUSD trustees commitment to independent oversight doesn't exist. SCUSD commitment to annual audits doesn't exist. SCUSD commitment to financial disclosures doesn't exist. SCUSD commitment to top quality work at reasonable prices doesn't exist. .

Our money is wasted. Teachers and Students have been cheated.

Their own oversight committee says they are not ready. We agree. Please Vote No on Measure "I".

Mark Whisler, President, Sacramento City Taxpayers' Rights League

Dennis Neufeld, Secretary-Treasurer, Sacramento City Taxpayers' Rights League

Robert Winger, Property Manager= Realtor, Whisler.Land Company

Albert Weaver, Colonial Heights Neighborhood Activist

REBUTTAL TO ARGUMENT AGAINST MEASURE 1

The naysayers who oppose this school bond opposed the last one, and the one before that, and the one before that. Each time they find a different reason. Do they ever volunteer any time to help the schools in any constructive way?

Sacramento City Schools' rebuilding program is on-time, on budget, and on target.

Dozens of projects have been completed. And dozens more are underway. Every dollar is being accounted for. Measure I continues the rebuilding program for our community's largest and most important infrastructure - our schools.

The smaller schools that Measure I will build means teachers can give more individual attention to every child. The modernization that Measure I] will complete brings every school up to state-of-the-art technology and safety standards. Say Yes to the future. Vote Yes on Measure I.

Deborah Ortiz, State Senator

Darrell Steinberg, Assemblyman

Genevieve Shiroma, President, SMUD Board

Heather Fargo, Mayor

Lewis Whitney, Co-Chair, Bond Oversight Committee'