



## Local ballot measure: A – Scotts Valley School bond

# A

### Scotts Valley Unified School District Bond

#### Ballot question

To improve the quality of local schools; make necessary health, safety, and ventilation improvements; repair or replace leaky roofs and deteriorating plumbing, sewer, wiring and electrical systems; shall Scotts Valley Unified School District’s measure be adopted authorizing \$49,000,000 in bonds at legal interest rates, generating approximately \$2.7 million annually while bonds are outstanding with levies of approximately 3.2 cents per \$100 assessed value, with annual audits, citizens’ oversight, no money for salaries and all money for local projects?

#### Pregunta de Boleta

Para mejorar la calidad de las escuelas locales; hacer mejoras necesarias de salud, seguridad y ventilación; reparar o reemplazar techos con goteras y plomería, desagües, cableados y sistemas eléctricos deteriorados; ¿debe adoptarse la iniciativa de ley del Distrito Escolar Unificado de Scotts Valley autorizando \$49,000,000 en bonos a tasas de interés legales, generando aproximadamente \$2.7 millones anuales mientras los bonos estén pendientes con gravámenes de aproximadamente 3.2 centavos por cada \$100 de valor fiscal, con auditorías anuales, supervisión de ciudadanos, ningún dinero para salarios y todo el dinero para proyectos locales?

#### What your vote means

YES	NO
A "Yes" vote is a vote to authorize the District to sell and issue up to \$49 million in general obligation bonds to be repaid by the levy of ad valorem taxes on real property in the District boundaries.	A "No" vote is a vote against the issuance of the proposed bonds by the District.

#### For and against Measure A

FOR	AGAINST
<p><b>David T. Hodgin</b> Small business owner/Senior citizen advocate</p> <p><b>Sue Roth</b> Board President, Santa Cruz County Office of Education</p> <p><b>Jim Reed</b> City Councilmember</p> <p><b>Heidi Denger</b> SVMS and SVHS Parent</p> <p><b>Roger Snyder</b> Board President, Scotts Valley Unified School District</p>	<p><b>Eric Erickson</b> Sr. Manufacturing Director/SVHS Parent</p>



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Arguments and replies are the opinions of the authors. We print them exactly as submitted, including errors.

Argument for Measure A	Rebuttal to argument for Measure A
<p>We understand these are difficult times. The pandemic has impacted our families, students, teachers, staff, and local businesses. When our students and staff return to our schools we must be prepared to meet deferred maintenance needs, and new challenges. The District considered waiting two years until the next election to ask for your support, but there are essential projects that cannot wait. At this critical time, we must improve the health and safety of our school campuses.</p> <p>With the community’s trust and support, the District successfully completed our new middle school but now must address the long-deferred needs of our 20-year-old high school and much older two elementary schools. These campuses need significant infrastructure updates – ventilation, security, roofs, restroom improvements, plumbing, and electrical. These COVID-19-related and other safety improvements will directly impact the education and well-being of our students and staff. Our classrooms also need upgrades to increase the quality of science and technology education our students need.</p> <p>This Measure addresses only the essentials our schools need, prioritized from the facilities master plan. The District will be extremely prudent and intentional with necessary facility improvements. You can read the detailed list of priorities for yourself in the full resolution. By law, spending will be reviewed by an independent citizens' oversight committee and audited annually to ensure compliance with this measure’s provisions. Funds can be spent only on facilities, not on salaries.</p> <p>These are your schools. Quality schools improve student achievement, increase property values, prepare children for a productive future, and increase community safety. Our great teachers and staff must have safe and functional facilities to provide our students with a quality education.</p> <p><b>David T. Hodgin</b> Small business owner/Senior citizen advocate</p> <p><b>Sue Roth</b> Board President, Santa Cruz County Office of Education</p> <p><b>Jim Reed</b> City Councilmember</p> <p><b>Heidi Denger</b> SVMS and SVHS Parent</p> <p><b>Roger Snyder</b> Board President, Scotts Valley Unified School District</p>	<p>Forty-nine million dollars...92 million over the length of the bond. Let that sink in. The list of improvements in Measure A do not match the mountainous sum that is unjustifiably requested. Forty-nine million dollars could build an entirely new school. Instead, the Scotts Valley taxpayer gets a multitude of small projects that include repaired roof leaks, and vaguely labeled “21<sup>st</sup> Century improvements to classrooms and restrooms”. This measure acts as a blank check and includes projects that should be completed on a rolling basis. Now is not the right time for a blank check.</p> <p><b>Eric Erickson</b> Sr. Manufacturing Director/SVHS Parent</p>



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Argument against Measure A	Rebuttal to argument against Measure A
<p>Once again, the taxpayers are being asked to pay for another school bond for Scotts Valley Schools. We already have 2 bonds on our current tax bills for the district. One from 2013 and another from 2014. Has all that money been spent? And yet we continue to pay.</p> <p>According to the proponent's "Statement" the best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is approximately 92 million dollars. The final fiscal year in which the tax is anticipated to be collected is 2055-56. WOW!</p> <p>--At a time when we really cannot say what school will look like in the future, why go into even MORE debt to refurbish facilities that may not be used? Perhaps a wiser idea would be to wait until next year when we have a better idea of what lies ahead.</p> <p><b>Eric Erickson</b></p>	<p><b>Scotts Valley students and staff need Measure A now to address critical health needs and crumbling infrastructure.</b> Here is why we cannot wait:</p> <ol style="list-style-type: none"> <li>1. Students will return to school soon. We must address critical safety issues now in light of new health requirements. The District cannot wait for these aged-out infrastructure systems to fail one after the other.</li> <li>2. Power, Internet, and classroom technologies need significant upgrades to support teaching to K-12 Next Generation Science Standards.</li> <li>3. The District's general fund cannot handle these extraordinary expenses without severely cutting educational programs and staff. Sacramento's broken funding formula leaves SVUSD as the 7<sup>th</sup> lowest-funded Unified School District in California.</li> <li>4. Bond elections occur only in a regular election cycle; our aging and obsolete ventilation, security, and electrical systems cannot wait another two years.</li> </ol> <p>Measure A makes financial sense – <b>tax rates will be lower in the coming years</b> as both the refinanced 2013 bonds that funded SVHS and the parcel tax expire in 2024.</p> <p>The 2055-56 term identifies the <u>longest</u> permitted financing. We are not obligated to this schedule. Most of the 2014 bonds that funded SVMS have a 15-year maturity.</p> <p>SVUSD has a reputation for fiscal prudence. Our infrastructure is outdated, there are no other funding sources, and these projects will only get more costly over time. Our students and staff deserve safe facilities, suitable for the hazards of our times and the educational programs they need.</p> <p>Measure A will fund these facility needs for the next generation.</p> <p><b>Hannah Walsh</b> Teacher and SVEA President</p> <p><b>Jane McElrone</b> Accountant and SVHS Parent Club President</p> <p><b>Michael Shulman</b> Governing Boardmember, Scotts Valley Unified School District</p>



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### Impartial Analysis of Measure A

**Jason M. Heath**, County Counsel

**By: Ruby Márquez**, Chief Assistant County Counsel

Under the California Constitution, school districts may issue bonds if approved by at least 55 percent of voters within the boundaries of that district. These bonds are sold to the public and constitute a debt of the district. The principal and interest on the bonds are repaid by an annual property tax levied on all real property within the jurisdiction of the school district. This is known as an “*ad valorem* tax” and is calculated based on the current assessed value of each property.

The Board of Trustees of the Scotts Valley Unified School District (“the District”) has placed Measure \_\_\_ on the ballot, which proposes the sale of bonds in an amount not to exceed \$49 million. The District anticipates that these bonds would generate approximately \$2.7 million annually.

The District’s best estimate of the average annual tax rate to be levied is approximately \$30.50 per \$100,000 of assessed property value per year. The best estimate of the highest tax rate is \$32.00 per \$100,000 of assessed property value per year. If the measure passes, this tax would be collected through fiscal year 2055-56 to repay the bonds.

In accordance with the law, the funds from the sale of these bonds shall only be used for specific purposes related to school site facilities, buildings, and classrooms. The law does not allow these bond funds to be used for teacher and administrator salaries or other operational expenses.

The District has submitted a “Bond Project List” contained within the full body of the measure. With these funds, the District plans to modernize, replace, renovate, construct, acquire, and/or rebuild the District’s facilities. The types of projects funded may include, but are not limited to:

- Adapting classrooms, restrooms, and school facilities to address current needs, including pandemic-related requirements;
- Improving student access to computers and modern technology, including providing necessary infrastructure, hardware, software, computers, devices, etc.;
- Replacing outdated electrical wiring systems;
- Improving accessibility to facilities to meet federal and state regulations under the American with Disabilities Act (ADA); and
- Upgrading school safety and security systems, such as fire alarms and cameras.

As required by law, the District must follow certain accountability provisions, including the establishment of an independent Citizens’ Oversight Committee, the annual completion of Performance and Financial Audits, and an annual report detailing the amount of proceeds collected by the sale of the bonds and the expenditures made.

A “yes” vote on Measure A is a vote to authorize the District to sell and issue up to \$49 million in general obligation bonds to be repaid by the levy of *ad valorem* taxes on real property in the District boundaries.

A “no” vote on Measure A is a vote against the issuance of the proposed bonds by the District.

### Tax Rate Statement Measure A

**Tanya Krause**, Superintendent

Scotts Valley Unified School District

An election will be held in the Scotts Valley Unified School District (the “District”) on November 3, 2020, to authorize the sale of up to \$49.0 million in bonds of the District to finance school facilities as described in the measure. If such bonds are authorized and sold, principal and interest on the bonds will be payable only from the proceeds of *ad valorem* 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. Such information is based upon the best estimates and projections presently available from official sources, upon experience within the District, and other demonstrable factors.

Based upon the foregoing and projections of the District’s assessed valuation, the following information is provided:

1. The best estimate of the average annual tax rate which would be required to be levied to fund this bond issue over the entire duration of the bond debt service, based on a projection of assessed valuations available at the time of filing of this statement, is \$0.0305 per \$100 of assessed valuation (or \$30.50 per \$100,000 of assessed value). The final fiscal year in which the tax is anticipated to be collected is 2055-56.



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2. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on a projection of assessed valuations available at the time of filing of this statement, is \$0.032 per \$100 of assessed valuation (or \$32.00 per \$100,000 of assessed value). It is estimated that such rate would be levied starting in fiscal year 2021-22.
3. The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is approximately \$92.0 million.

Voters should note the estimated tax rate is based on the assessed value (not market value) of taxable property on the County's official tax rolls. 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. Property owners should consult their own property tax bills and tax advisors to determine their property's assessed value and any applicable tax exemptions.

The attention of all voters is directed to the fact that the foregoing information is based upon projections and estimates only, which amounts are not maximum amounts and are not binding upon the District. The actual debt service, tax rates and the years in which they will apply may vary from those used to provide the estimates set forth above, due to factors such as variations in the timing of bond sales, the par amount of bonds sold and market interest rates available at the time of each sale, actual assessed valuations over the term of the bonds, and other factors. The date and amount of bonds sold at any given time will be determined by the District based on the need for project funds and other considerations. The actual interest rates at which the bonds will be sold will depend on conditions in the bond market at the time of sale. Actual future assessed valuations 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.

### Full text of Measure A

#### INTRODUCTION

The following is the abbreviated form of the bond measure:

To improve the quality of local schools; make necessary health, safety, and ventilation improvements; repair or replace leaky roofs and deteriorating plumbing, sewer, wiring and electrical systems; shall Scotts Valley Unified School District's measure be adopted authorizing \$49,000,000 in bonds at legal interest rates, generating approximately \$2.7 million annually while bonds are outstanding with levies of approximately 3.2 cents per \$100 assessed value, with annual audits, citizens' oversight, no money for salaries and all money for local projects?"

#### BOND AUTHORIZATION

By approval of this measure by at least 55 percent of the registered voters voting on the measure, the Scotts Valley Unified School District will be authorized to issue and sell bonds of up to \$49.0 million in aggregate principal amount at interest rates not to exceed legal limits and to provide financing for the specific types of school facilities projects listed in the Bond Project List described below, subject to all the accountability requirements specified below.

#### ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this measure 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 School Board has identified detailed facilities needs of the District and has determined which projects to finance from a local bond. The School Board 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.** Following approval of this measure, the Board of Trustees will establish an Independent Citizens' Oversight Committee, under Education Code Sections 15278 and following, to ensure bond proceeds are expended only on the types of 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 School Board.

**Performance Audits.** The School Board will conduct annual, independent performance audits to ensure that the bond proceeds have been expended only on the school facilities projects listed below.



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**Financial Audits.** The School Board will conduct annual, independent financial audits of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed below.

**Government Code Accountability Requirements.** As required by Section 53410 of the Government Code, (1) the specific purpose of the bonds is set forth in this Full Text of the Measure, (2) the proceeds from the sale of the bonds will be used only for the purposes specified in this measure, and not for any other purpose, (3) the proceeds of the bonds, when and if issued, will be deposited into a building fund to be held by the Santa Cruz County Treasurer, as required by the California Education Code, and (4) the Superintendent of the District shall cause an annual report to be filed with the Board of Trustees of the District not later than January 1 of each year, which report shall 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 Sections 53410 and 53411 of the Government Code.

### **NO TEACHER OR ADMINISTRATOR SALARIES**

Proceeds from the sale of bonds authorized by this measure shall be used only for the purposes specified in Article XIII A, Section 1(b)(3), those being for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, and the acquisition or lease of school facilities, and not for any other purpose, including teacher and administrator salaries and other normal ongoing school operating expenses.

### **INFORMATION ABOUT ESTIMATES AND PROJECTIONS INCLUDED IN BALLOT**

Voters are informed that any estimates or projections in the bond measure or ballot materials, including relating to estimated tax rates, the duration of issued bonds and related tax levies and collections are provided as informational only. Such amounts are estimates and are not maximum amounts or limitations on the terms of the bonds, the tax rate or duration of the tax supporting repayment of issued bonds. Such estimates depend on numerous variables which are subject to variation and change over the term of the District's overall facilities and bond financing plan, including but not limited to the amount of bonds issued and outstanding at any one time, the interest rates applicable to issued bonds, market conditions at the time of sale of the bonds, when bonds mature, timing of project needs and changes in assessed valuations in the District. As such, while such estimates and approximations are provided based on information currently available to the District and its current expectations, such estimates and approximations are not limitations and are not binding upon the District.

### **BOND PROJECT LIST**

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

Bond proceeds will be expended to modernize, replace, renovate, construct, acquire and rebuild the District's facilities as described in the following list. Whenever specific items are included in the following list, they are presented to provide an example and are not intended to limit the generality of the broader description of the types of authorized projects.

- Adapt the interior and/or exterior of existing outdated classrooms, restrooms, and school facilities to address current needs, including pandemic-related requirements.
- Replace inadequate wiring and electrical systems to meet current electrical and accessibility codes, increase capacity, and relieve currently overloaded electrical systems.
- Repair or replace outdated or inefficient heating, ventilation and air-conditioning
- Repair or replace leaky roofs
- Make improvements to school safety and security, including fire alarms, sprinkler systems, school communication systems, security cameras, surveillance systems, exterior lighting and fencing
- Modernize/renovate outdated classrooms, restrooms and school facilities to meet 21<sup>st</sup> century educational standards, including providing updated furnishings and other equipment to facilitate a modern learning environment
- Improve student access to computers and modern technology, including providing all necessary infrastructure, hardware, software, computers, devices and other modern instructional equipment
- Repair or replace deteriorating plumbing and sewer systems
- Make health and safety improvements, such as replacing aging building materials, including removal of hazardous materials identified either prior to or during construction including asbestos, and seismic reinforcements
- Make energy-efficiency improvements to reduce utility costs, including installing solar panels
- Upgrade/improve P.E. fields, playgrounds, play structures and similar facilities for school and community use
- Upgrade, expand, construct, repair and/or equip school facilities, including, labs, multipurpose rooms, and other school facilities.



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- 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.
- Acquisition of all or a portion of any school site or facility, or an interest therein, or make lease payments with respect to any school site or facility, encumbered in order to finance or refinance the listed school facilities projects.
- 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

The bond projects described in this Bond Project List 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.

Examples of incidental costs include, but are not limited to: costs of design, engineering, architect and other professional services, facilities assessments, inspections, site preparation, utilities, landscaping, construction management and other planning and permitting, legal, accounting and similar costs; independent annual financial and performance audits; a customary construction contingency; demolition and disposal of existing structures; the costs of interim housing and storage during construction including relocation and construction costs incurred relating to interim facilities; rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction; costs of relocating facilities and equipment as needed in connection with the projects; interim classrooms and facilities for students, administrators, and school functions, including modular facilities; federal and state-mandated safety upgrades; addressing unforeseen conditions revealed by construction/modernization and other necessary improvements required to comply with existing building codes, including the Field Act; access requirements of the Americans with Disabilities Act; costs of the election; project construction oversight, management and administration during the duration of such projects, including by District personnel, and bond issuance costs.

Unforeseen conditions may arise during the course of planning, design and construction resulting in the scope and nature of any of the specific projects described above being altered by the District. In the event that the District determines that a modernization or renovation project is more economical for the District or otherwise in the District's best interests to be undertaken as new construction, this bond measure authorizes said new construction, including relocation, expansion and construction and/or reconstruction, and all costs relating thereto. In addition, this measure authorizes the acquisition of real property rights of ways or other real property interests required to provide access to school or other District facilities. Further, authorized projects include reimbursements for project costs previously paid and paying and/or prepaying interim or previously obtained financing for the types of projects included on the project list, such as bond anticipation notes, and including payment and prepayment of lease payments relating to projects and/or equipment previously financed. Finally, projects on this list may be undertaken and used as joint use projects with other public agencies.

For any project listed 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 any requirements of the Division of State Architect or other State laws, codes and regulations applicable to public school sites.

Approval of the District's bond measure does not guarantee that all of the identified projects within this Bond Project List will be funded beyond what can be completed with local funds generated by the bond measure and does not guarantee that the projects will be completed in any particular order. The District will also pursue funds from the State of California to complete certain of the identified facilities projects.

The order in which school facilities projects are listed above does not suggest an order of priority. Project priorities will be determined by the School Board.