

FULL TEXT OF MEASURE H ANAHEIM UNION HIGH SCHOOL DISTRICT

The following is the full proposition presented to the voters by the Anaheim Union High School District.

“To improve neighborhood schools, by repairing classrooms and labs, including leaky roofs, decaying walls, deteriorating restrooms, and accessibility for disabled students; upgrading basic infrastructure and utilities, including drinking water, sewer, and gas; enhancing safety and security, including fire safety and security systems; and acquiring, upgrading, and constructing 21st century classrooms, schools, sites, and support facilities, shall Anaheim Union High School District issue \$249 million of bonds at legal rates, with audits, citizen oversight, and no funds for administrator salaries?”

PROJECT LIST FOR THE CLASSROOM AND SCHOOL SAFETY BOND MEASURE

The following are the projects that may be financed with proceeds of the bonds:

Repair and Upgrade Classrooms and Buildings, including roofs, walls, windows, doors and hardware, floors, ceilings, and accessibility for disabled students.

Basic Infrastructure and Utilities, including site and building plumbing, sewer, gas, electrical, water, storm drainage, HVAC systems, energy efficiency systems and controls, restrooms, and the financing of such upgrades.

Safety and Security, including fire safety system, security systems, emergency communication systems, lighting, school entry and access areas, locks, parking and transportation areas, fencing, and earthquake retrofitting.

Removal of Hazardous Materials, such as asbestos and lead.

21st Century Learning Classroom Improvements, including furniture and equipment to allow for student collaboration, teamwork, and expanded learning methods.

Classroom Construction for education including career and technical education, science, technology, engineering, arts, and math education.

Physical Education Facility Repairs, including restrooms, locker rooms, showers, gymnasiums, multipurpose rooms, and constructing and reconditioning fields and facilities.

Outdoor Learning Quads and Courts, for outdoor education and student collaboration.

Landscape and Hardscape Improvements and Repairs, including irrigation systems.

Food Service Improvements, including constructing and upgrading facilities and equipment to serve meals to students, and shelters for students to eat lunch.

Student and Staff Support Facilities, including libraries, student union, student services, and administration facilities.

Property Acquisition, for the purpose of expanding overcrowded school sites.

The following sites are planned to receive some of the improvements described above:

- Anaheim High School
- Ball Junior High School
- Brookhurst Junior High School
- Cypress High School
- Dale Junior High School
- District Campus
- Hope School / Gilbert West
- Katella High School
- Kennedy High School
- Lexington Junior High School
- Loara High School
- Magnolia High School
- Orangeview Junior High School
- Oxford Academy
- Savanna High School
- South Junior High School
- Sycamore Junior High School
- Trident Education Center (Gilbert High School, Polaris High School, and Community Day School - ILC)

- Walker Junior High School
- Western High School
- Potential New Sites

* * *

In preparing the list of projects, the District has evaluated safety, class size reduction, and informational technology needs.

In addition to the sites listed above, the District may acquire, renovate, upgrade, construct, furnish and equip facilities at other locations.

Each project is assumed to include its share of architectural, engineering, and similar planning costs, program management, project or construction management, a contingency for unforeseen circumstances, offsite/utility connection costs, and interim housing. Projects also may include the payment of the costs of preparation of all facility planning, facility assessment reviews, environmental studies, construction documentation, plan check, inspection and permit fees, and the acquisition of improvements on the project list that previously have been financed, or will be financed in the future, through temporary loans, leases, lease-leaseback, or lease-purchase arrangements. Also included are the costs of demolition and reconstruction of existing facilities currently scheduled for modernization, if the Board of Trustees determines that such an approach would be a more cost effective solution.

The District is eligible to receive State matching funds and intends to aggressively pursue State funding. In the absence of such funding, improvements at each school may be affected and the District may not be able to perform 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. The final cost of each project will be determined as plans are finalized, construction bids are awarded and projects are completed. Based on the final costs of each project, certain projects described above may be delayed or may not be undertaken.

Bond proceeds shall be expended only for the specific purposes identified herein. 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 the bond projects. 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.

Fiscal Accountability: In accordance with Education Code § 15272, the Board of Trustees has established a citizens' oversight committee and will conduct annual independent audits to assure that funds are spent only on the list of projects authorized above and for no other purpose. The expenditure of bond money on these projects is subject to stringent financial accountability requirements. By law, performance and financial audits will be performed annually, and all bond expenditures will be monitored by an independent citizens' oversight committee to ensure that funds are spent as promised and specified. The citizens' oversight committee shall include at least seven members, with the following relationships: one member active in a business organization, one member active in a senior citizens' organization, one member active in a bona fide taxpayers' organization, one member who is a parent or guardian of a student, one member who is both a parent or guardian of a student and active in a parent-teacher organization. District employees, vendors, contractors and consultants may not serve on the citizens' oversight committee.

No Administrator Salaries: Proceeds from the sale of the bonds authorized by this proposition shall be used only for the acquisition, construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, and not for any other purpose. No funds will be used toward teacher or administrator salaries or other operating expenses.

**IMPARTIAL ANALYSIS
ANAHEIM UNION HIGH SCHOOL DISTRICT
MEASURE H**

Approval of the measure would authorize the Board of Trustees of the Anaheim Union High School District ("District"), to issue general obligation bonds in an amount not to exceed \$249,000,000.

The California Constitution provides that school districts may issue general obligation bonds 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, with the approval of 55% of the voters of the district, voting at an election for that purpose.

Funds received from the sale of the bonds shall be used only for the specific purposes set forth in the measure, including repairing and upgrading classrooms and buildings, including roofs, walls, windows, doors and hardware, floors and ceilings; upgrading access for people with disabilities; upgrading infrastructure and utilities, including site and building plumbing, sewer, gas, electrical, water, storm drainage, heating, ventilation, air conditioning, and energy efficiency systems; upgrading safety and security, including fire safety systems, emergency communication systems, lighting, school entry and access areas, locks, parking and transportation areas, fencing, and earthquake retrofitting; removing hazardous materials; furnishing and equipping of school facilities; repairing physical education facilities, including restrooms, locker rooms, showers, gymnasiums, multipurpose rooms, and constructing and reconditioning fields and facilities; upgrading and repairing landscape and hardscape, including irrigation systems; constructing and upgrading food service facilities; and acquiring, upgrading, and constructing classrooms, schools, and student and staff support facilities, including libraries, student union, student services, and administrative facilities.

The measure provides that a citizens' oversight committee will be established to ensure that bond proceeds are properly expended. In addition, annual performance and financial audits will be conducted. The measure further provides that bond proceeds will not be used for teacher or administrator salaries or other school operating expenses.

Approval of this measure will also authorize the District to levy an ad valorem tax on the assessed value of real property within the District by an amount needed to pay the principal and interest on these bonds in each year that the bonds are outstanding. The Tax Rate Statement for the measure in this sample ballot pamphlet reflects the District's best estimates, based upon currently available data and projections, of the property tax rates required to service the bonds.

If 55% of the voters of the school district voting on the measure vote yes, the District will be authorized to issue bonds in the amount not to exceed \$249,000,000. A no vote on this measure will disapprove the issuance of the bonds and the levy of the taxes for such bonded indebtedness.

The measure was placed on the ballot by the Board of Trustees of the District.

Approval of Measure H does not guarantee that the proposed project or projects in the school district that are the subject of bonds under Measure H will be funded beyond the local revenues generated by Measure H. 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.

**TAX RATE STATEMENT
ANAHEIM UNION HIGH SCHOOL DISTRICT
MEASURE H**

An election will be held in the Anaheim Union High School District (the "District") on November 4, 2014, to authorize the sale of up to \$249 million in general obligation bonds. The following information is submitted in compliance with Sections 9400-9404 of the California Elections Code.

1. 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 a projection of assessed valuations available at the time of filing of this statement, is 3.00¢ per \$100 (\$30.00 per \$100,000) of assessed valuation in fiscal year 2015-16.
2. 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 a projection of assessed valuations available at the time of filing of this statement, is 2.99¢ per \$100 (\$29.99 per \$100,000) of assessed valuation in fiscal year 2023-24.
3. The best estimate of the highest tax rate that would be required to fund this bond issue, based on a projection of assessed valuations available at the time of filing this statement, is 3.00¢ per \$100 (\$30.00 per \$100,000) of assessed valuation.
4. The best estimate of the average tax rate required to fund this bond issue, based on a projection of assessed valuations available at the time of filing of this statement, is 2.99¢ per \$100 (\$29.99 per \$100,000) of assessed valuation.

These projections of assessed valuations and tax rates are based on the experience and historical data within the District and are 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 assessed valuation in each year. 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.

Dated August 4, 2014

s/ Michael B. Matsuda
Superintendent, Anaheim Union High School District

ARGUMENT IN FAVOR OF MEASURE H

For more than 110 years, AUHSD has developed the future business and civic leaders of Anaheim, Buena Park, Cypress, La Palma, and Stanton. Our great teachers have prepared generations of students to succeed in college, careers, and life. We want that legacy to continue. Join us—parents, homeowners, business owners, educators, retirees, and community leaders—in voting YES on this measure.

The bond's first priority is improving the basic infrastructure needed for school operations. A YES vote will provide the necessary upgrades to building and technology infrastructure.

AUHSD strives to enhance students' ability to excel at 21st century skills and obtain high-paying jobs. To achieve this goal, students need a safe learning environment. A YES vote will ensure upgrades to this all-important area.

Updated facilities will not only help prepare students for their future careers, but will also help the District attract and retain the award-winning teachers who provide the great education our community needs and deserves.

The hallmark of this measure is fiscal accountability. AUHSD has taken the unusual step of establishing a Citizens' Oversight Committee now, instead of after the election, to ensure that what is being promised to voters can be delivered. The oversight committee reviewed the project list and confirmed that the projects can be completed with the anticipated funding. The project list was created through a process that embraced equity, along with safety and student achievement. In the future, the oversight committee will ensure that all funds are used only for voter-approved purposes.

Bond funds will benefit every AUHSD campus, and every penny will be locally controlled. The bond also qualifies our schools for future state matching funds.

Maintaining and improving school facilities is a community responsibility. Help us strengthen our community and secure our children's educational future--vote YES on this measure.

s/ Chris Brown
28-year member, Savanna School Board

s/ Jon Hultman
President, Oxford Academy PTSA
Treasurer, Oxford Academy Foundation

s/ Sean Pfeiffer
2014 Teacher of the Year, Kennedy High School

s/ Paul Kott
Paul Kott Realtors Inc.

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE H

In 2002, we approved Measure Z, a \$132,000,000 bond for the Anaheim Union High School District (AUHSD), and **we're still paying off an outstanding debt of over \$95,200,000** for Measure Z. This year, Measure H proposes another \$249,000,000 in bond debt.

These two bonds are just the tip of the iceberg:

"I think it's pretty obvious to everyone that we will need more bonds in the future to address all of our problems." - AUHSD Trustee Al Jabbar, *Orange County Register*, 7/17/2014

We trusted AUHSD with a \$132,000,000 bond in Measure Z, and here's what happened:

- "The district is facing a \$49-million shortfall because of overspending to build new high schools and middle schools promised to voters when they approved a \$132-million bond measure in 2002." - *Los Angeles Times*, 2/8/2006
- "The District's procedures are inadequate to control and monitor the Measure Z program and the procedures that are in place are not followed consistently. There is no standardized financial or budgetary reporting for Measure Z funds." - *Orange County Grand Jury* (summary of operational forensic performance audit), 5/30/2007

If we couldn't trust AUHSD with Measure Z's \$132,000,000 bond, how are we supposed to trust them with a \$249,000,000 bond in Measure H?

Read the text of Measure H: the spending plan has 12 broad categories and a list of 20 AUHSD facilities. There are no specific projects listed. Without specifics, how can there be adequate controls and monitoring to protect our taxpayer dollars?

Vote "No" on the Measure H tax hike.

s/ Dr. Alexandria Coronado
Former Trustee, Anaheim Union High School District
Former President, Orange County Board of Education

s/ Wayne Lindholm
President, Lincoln Club of Orange County

s/ Ed Sachs
Member, Community Common Sense

ARGUMENT AGAINST MEASURE H

Measure H proposes a \$249,000,000 bond. A bond is like a government credit card, where your taxes are raised to pay off that credit card. Measure H asks the voters to put \$249,000,000 on a credit card.

It gets worse: once interest is included, that \$249,000,000 bond costs \$535,000,000. **Measure H is a tax hike of more than half a billion dollars!**

"A conservative estimate places the total interest cost at \$286 million, if the entire \$249 million in bonds are issued, or a 215% repayment on the original borrowed amount." — Associated Press, 7/18/2014

In 2002, we approved a \$132,000,000 bond for the Anaheim Union High School District. Measure H is almost twice the size of that bond! We're still paying for the 2002 bond, and now they want us to approve a bigger one?

Not only that, in 2002, we approved a \$239,000,000 bond for the North Orange County Community College District. Now, *they* have a \$574,000,000 bond on this same ballot.

How many bonds are we supposed to pay for?

Just two years ago, California voters approved Proposition 30. We were promised "billions in new funding for our schools" from Proposition 30. Proposition 30 raised the sales tax and income tax. Measure H raises your property tax. What tax will they raise next?

What does a property tax increase mean for you?

- **Homeowners will pay more taxes**
- **Renters will see higher rent** as landlords pass on the costs of higher taxes
- **Struggling mom and pop businesses will pay higher rent** as landlords pass on the costs of higher taxes
- **Customers will see higher prices** as businesses pass on the costs of higher taxes

Anaheim, Buena Park, Cypress, La Palma, and Stanton can't afford another tax increase.

Vote "No" on Measure H, the half-billion dollar tax hike!

s/ Dr. Alexandria Coronado
Former Trustee, Anaheim Union High School District
Former President, Orange County Board of Education

s/ Wayne Lindholm
President, Lincoln Club of Orange County

s/ Ed Sachs
Member, Community Common Sense

REBUTTAL TO ARGUMENT AGAINST MEASURE H

Independent credit reviews by Standard and Poor's and Moody's confirm that AUHSD is financially well managed. Our credit ratings and sound financial management practices helped us refinance current bond debt and save taxpayers \$4.8 million. Additionally, the District's credit ratings will provide taxpayers with a low cost of borrowing when the bonds are sold.

Throughout the recession, when the state fiscal crisis forced us to cut \$100 million from our operating budget, AUHSD, unlike many districts, maintained positive certification of its budget. School districts count on the state to provide a big share of our overall operating budget, but nearly all the facility funding of any scale, other than routine maintenance and very minor improvements, has always been paid for by local revenue. Since there are no operating monies to pay for large-scale capital improvement projects, we must rely on property tax revenue to update and repair our facilities and keep abreast of what private schools are doing in their classrooms.

When voters approved Proposition 30 in 2012, that money went directly where it was needed most—the classroom—to help get our education system back on track. Prop 30 helped prevent additional cuts to our local schools, but it did not provide the funding needed to update our schools.

Measure H is about much more than just making needed improvements to aging campuses. It is about investing in our students, our most valuable asset.

Please continue your support of local schools by voting YES on Measure H.

s/ Chris Brown
28-year veteran, Savanna School Board

s/ Jon Hultman
Treasurer, Oxford Academy Foundation;
President, Oxford Academy PTSA

s/ Sean Pfeiffer
2014 Teacher of the Year, Kennedy High School