

CAJON VALLEY UNION SCHOOL DISTRICT

(This measure will appear on the ballot in the following form.)

MEASURE EE

To increase student access to computers; maintain and upgrade educational technology; keep pace with 21st century technological innovations; implement statewide technology requirements for testing and learning; and significantly reduce borrowing costs, shall Cajon Valley Union School District issue \$20,000,000 of short-term bonds with the interest rates at or below the legal limit, independent citizen oversight, and no money for administrator/teacher salaries, so long as all funds are spent locally and cannot be taken by the State?

Bonds—Yes

Bonds—No

This measure requires approval by 55% of the voters voting on the measure. Full text of this measure follows the arguments and rebuttals.

COUNTY COUNSEL IMPARTIAL ANALYSIS

This measure was placed on the ballot by the governing board of the Cajon Valley Union School District ("District"). This measure, if approved by 55% of the votes cast on the measure, will authorize the District to issue and sell \$20,000,000 in general obligation bonds. The sale of these bonds by the District is for the purpose of raising money for the District, and represents a debt of the District. In exchange for the money received from the bond holders, the District promises to pay the holders an amount of interest for a certain period of time, and to repay the bonds on the expiration date.

Voter approval of this measure will also authorize an annual tax to be levied upon the taxable property within the District. The purpose of this tax is to generate sufficient revenue to pay interest on the bonds as it becomes due and to provide a fund for payment of the principal on or before maturity.

Proceeds from the sale of bonds authorized by this measure may be used by the District 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.

The interest rate on any bond, which is established at the time of bond issuance, could not exceed 12% per annum. The final maturity date of any bond could be no later than 5 years after the date the bonds are issued as determined by the District.

The tax authorized by this measure is consistent with the requirements of the California Constitution. The California Constitution permits property taxes, above the standard one percent (1%) limitation, to be levied upon real property to pay the interest and redemption charges on any bonded indebtedness for, among other things, the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, when approved by 55% of the voters if:

COUNTY COUNSEL IMPARTIAL ANALYSIS (CONTINUED)

- (1) the proceeds from the sale of the bonds are used only for the purposes specified,
- (2) the District, by evaluating safety, class size reduction, and information technology needs, has approved a list of specific projects to be funded,
- (3) the District will conduct an annual, independent performance audit, and
- (4) the District will conduct an annual, independent financial audit.

If a bond measure is approved, state law requires the District to establish an independent citizens' oversight committee. The District has made this ballot measure subject to these requirements.

Approval of this measure does not guarantee that the proposed projects in the District that are the subject of these bonds will be funded beyond the local revenues generated by this measure.

A "YES" vote is a vote in favor of authorizing the District to issue and sell \$20,000,000 in general obligation bonds.

A "NO" vote is a vote against authorizing the District to issue and sell \$20,000,000 in general obligation bonds.

TAX RATE STATEMENT

An election will be held in Cajon Valley Union School District (the "District") on November 8, 2016 to authorize the sale of \$20,000,000 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 estimated assessed valuations available at the time of filing of this statement, is \$.01354 per \$100 (\$13.54 per \$100,000) of assessed valuation in fiscal year 2017-18.
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 estimated assessed valuations available at the time of filing of this statement, is \$.01402 per \$100 (\$14.02 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 estimated assessed valuations available at the time of filing this statement, is \$.01488 per \$100 (\$14.88 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 \$.01387 per \$100 (\$13.87 per \$100,000) of assessed valuation.
5. The best estimate of the total debt service, including principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$21,221,386.

These estimates are based on projections 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 increases in assessed valuations. 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 1, 2016

Scott Buxbaum
Assistant Superintendent of Business Services
Cajon Valley Union School District

ARGUMENT IN FAVOR OF MEASURE EE

Vote YES on Measure EE!

The schools of Cajon Valley Union School District are one of our most important assets, producing high-achieving students and increasing local property values.

Measure EE will continue to improve our schools with a steady source of **locally-controlled** funding for critical educational technology for the coming decade, ensuring an opportunity for our students to thrive in today's workforce and succeed in the economy of tomorrow.

Measure EE makes strong financial sense. Measure EE will reduce borrowing costs by over 90% and save taxpayers millions of dollars by using a series of short-term loans. This, among other reasons, is why Measure EE has been endorsed by the **San Diego County Taxpayers Association**.

Measure EE will improve school technology by:

- Increasing student access to computers
- Upgrading and maintaining educational software in every classroom
- Providing a source of ongoing funding to keep pace with 21st century innovations

Measure EE will protect taxpayers by:

- **Requiring** independent citizen oversight
- **Matching** the term of the financing to the useful life of the technology
- **Prohibiting** funds from going to administrators' salaries, pensions or benefits
- **Imposing** tough legal restrictions requiring all monies to be spent on our local schools
- **Prohibiting** the state from taking local bond money and spending it in other districts

Vote YES for increased property values and home prices by improving neighborhood schools.

Vote YES to protect taxpayers with independent financial audits.

Vote YES for increased after-school learning opportunities.

Vote YES on Measure EE to provide an ongoing source of affordable funds for classroom computers, internet infrastructure, and other technological innovations for every school in the District.

Please join our local business leaders, teachers, parents, grandparents and neighbors by voting YES on Measure EE.

GREGORY A. STEIN
Chairman of the Board
San Diego County Taxpayers Association

HEATHER ZIMKIN
Cajon Valley Council PTA President

STAR BALES
Council Women City of El Cajon

CHRIS GEORGE
General Manager

JAMES R. DAVIS
Chief of Police (RET)

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE EE

Voters rejected exact same bond two years ago (November 4, 2014). They agreed bond money is for buildings that last decades not technology that is obsolete in 5 years.

2½ weeks after you voted NO, CVUSD's Board of Education met on November 21, 2014 for this Agenda Item:

"District would like to bring back the exact same measure to the voters for the November 2016 presidential election. ...[A] resolution adopted now, which would allow the District to continue its' outreach efforts to various groups in the District as well as for the campaign committee to begin fundraising now to allow better communication potential to voters in the upcoming election. "

Translation: 'If we have more time and money we can slip this by the voters.'

San Diego County Taxpayers Association endorsed Measure EE?!? Many of their directors/officers profit directly / indirectly from school bonds. Google: Gonsalves Taxpayers cozy.

CVUSD's lack of technology is a management problem, NOT a money problem. CVUSD's Financial Statements show revenues increased \$51 million and wages increased \$23 million over last 4 years:

	2012-13	2013-14	2014-15	2015-16 Projected	Increase
Revenue	124,283,245	136,496,562	149,394,787	175,329,486	51,046,241
Wages	108,457,775	110,866,693	117,874,698	131,798,582	23,340,807

CVUSD wants YOU to pay \$21.2 million more in taxes so they can continue increasing wages.

CVUSD taxpayers already pay these taxes:

Countywide Proposition 13
Cajon Valley Union School District, 2000 bond
Cajon Valley Union School District, 2008 bond
Cajon Valley Union School District, 2012 bond
Grossmont Hospital District, 2006 bond
Grossmont Cuyamaca College District, 2002 bond
Grossmont Cuyamaca College District, 2012 bond
Grossmont High School District, 2004 bond
Grossmont High School District, 2008 bond
Metropolitan Water District

You're taxed enough already!

Vote NO on Measure EE (Again)

www.CalTAN.org

M. KEVIN O'NEILL, President, California Taxpayers Action Network
MATTHEW MILLER Taxpayer/Resident
MARK REVETTA Taxpayer/Resident

ARGUMENT AGAINST MEASURE EE

Don't be a victim of The School Bond Scam! (www.schoolbondscam.org)

News articles and campaign finance disclosures show Wall Streeters, contractors and consultants pay money to pass school bonds for their immediate profit leaving each taxpayer with decades of additional debt. **Google:** "Local School Bonds: Big Donors Win Big Contracts" OR Orange County Register's "Bankers Push School Bonds for C.A.S.H."

The School Bond Scammers gladly pay to pass bonds anticipating school boards will reward them with inflated no bid contracts in return. **Google:** Sweetwater school pay to play OR Fresno Leaseback FBI Arax.

Voice of San Diego's August 6, 2012 investigative report revealed Poway School District's "Capital Appreciation Bonds" put their taxpayers on the hook to pay back about \$1 billion for their \$105 million bond. **Google:** "Thanks a Billion"

California Taxpayers Action Network (www.caltan.org) is not against all school bonds and has supported those (i.e. Walnut Valley Unified School District) that contain proper internal controls to prevent waste and encourage good value for taxpayers.

This bond does not include such taxpayer protections. Contracts can be handed to favored contractors and consultants without regard to price!

Worse, this bond lacks a prioritized Project List with estimated project costs for each and a commitment to build the proposed projects in the promised prioritized order. This bond allows pet projects to be built instead of necessary ones.

Why does District need another bond so soon after their last one? Did they handout over priced contracts and put in astroturf fields with the last bond instead of making needed classroom repairs?

Vote NO until they propose a better bond next election.

California Taxpayers Action Network is a San Diego based all-volunteer, statewide network of taxpayer advocates who promote sound fiscal policies, practices and business methods by government entities for the public's benefit and protection.

M. KEVIN O'NEILL
President, California Taxpayers
Action Network

DONNA MILLER
Resident /Taxpayer

MATTHEW MILLER
Resident/Taxpayer

MARK REVETTA

REBUTTAL TO ARGUMENT AGAINST MEASURE EE

Measure EE is about improving our community and our schools. Stories about what happened in other districts are irrelevant. Here are the facts:

The need is real.

With input from students, parents and teachers, the Cajon Valley Union School District has prepared a plan to assure every student has the resources necessary to keep pace with 21st century education standards.

The protections are real.

Measure EE funds are subject to audit and oversight by an independent citizens' committee. Funds cannot be used for administrator salaries, benefits or pensions.

Measure EE makes financial sense.

Measure EE will save Cajon Valley Union School District taxpayers millions of dollars through the use of short-term bonds at today's low interest rates.

Schools are a prudent investment in our community.

Measure EE will allow us to continue improving our local schools, which real estate experts agree increases home values.

The decision is yours.

By authorizing Measure EE, voters can continue the job of improving our local schools and ensure that we get the best deal possible at the lowest price.

The decision is clear. Vote YES on Measure EE!

SUZANNE MULLINS
CVUSD Board Trustee

TAMARA L. OTERO
CVUSD Board President

JO ALEGRIA
CVUSD Board Trustee

JILL BARTO
CVUSD Gov Board Member

JUSTIN A. SLAGLE
CVUSD Gov Board Mbr.

FULL TEXT OF MEASURE EE

BOND AUTHORIZATION

By approval of this measure 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 \$20,000,000 in aggregated principal at interest rates not in excess of the legal limit and to provide financing for the specific school facility technology projects listed in the Bond Project List described below, subject to all the accountability requirements specified below.

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 8 years into the future.

All Bonds will be sold as current interest bonds and the use of capital appreciation bonds will not be permitted.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this measure so that voters and taxpayers in the District may be assured that their money will be spent wisely. Expenditures to address specific technology equipment 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 technology equipment needs of the District and has determined which projects to finance from a local bond at this time. 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. The School Board has an established Independent Citizens' Oversight Committee under Education Code Section 15278 and will meet frequently enough to ensure that bond proceeds are expended only on the bond projects listed below.

Performance Audits. The School Board shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school technology equipment projects listed below. After the initial bond sale and prior to the second bond sale, the established technology committee composed of representatives from the Board of Trustees and other key stakeholders will review the technology program implementation and recommend potential revisions.

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

FURTHER SPECIFICATIONS

No Teacher/Administrator Salaries. Bond proceeds may not be expended for school operating expenses, including administrator and teacher salaries, which are not attributable to technology projects.

FULL TEXT OF MEASURE EE (CONTINUED)

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.

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 and peripheral hardware
- Laptops, eReaders, eTablets, Chromebooks, Netbooks, iPads and mobile computing devices
- Projectors/Projection TV monitors
- Data backup systems
- Mobile computing device charging carts/cabinets
- Wireless access devices and systems

Software

- Computer adaptive software/learning management systems
- Application (Apps)/management software for mobile devices

Infrastructure

- Computer and technology wiring, servers, routers, switches, storage area network (SAN) and other information devices

Implementation

- Installation and upgrading of various technology systems
- Training and related expenses resulting from the implementation of technology and internet access

Projects Subject to Available Funding. The forgoing 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.