

GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT

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

MEASURE X

EAST COUNTY/GROSSMONT/ CUYAMACA COMMUNITY COLLEGES AFFORDABLE COLLEGE, JOB TRAINING, CAMPUS REPAIR, VETERAN SUPPORT MEASURE. To repair classrooms/ labs, prepare veterans, workers/students for technology, business, science/ other jobs, construct Workforce Training Center, support East County economic development, remove asbestos/lead paint, repair gas, electrical/sewer lines, repair, acquire, construct facilities, sites/ equipment, shall Grossmont-Cuyamaca Community College District issue \$348,000,000 in bonds at legal rates, no money for administrators' salaries, independent audits, citizen oversight, all funds used locally?

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 Grossmont-Cuyamaca Community College District ("District"). This measure, if approved by 55% of the votes cast on the measure, will authorize the District to issue and sell \$348,000,000 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 community college facilities, including the furnishing and equipping of community college facilities, or the acquisition or lease of real property for community college 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 40 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 \$348,000,000 in general obligation bonds.

A "NO" vote is a vote against authorizing the District to issue and sell \$348,000,000 in general obligation bonds.

TAX RATE STATEMENT

REGARDING PROPOSED
\$348,000,000
GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BONDS

An election will be held in the Grossmont-Cuyamaca Community College District (the "District") on November 8, 2016, to authorize the sale of up to \$348,000,000 in bonds of the District to finance 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 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 tax rate 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 a projection of assessed valuations available at the time of filing of this statement, is \$0.025 per \$100 of assessed valuation (or \$25.00 per \$100,000 of assessed value) for fiscal year 2018-2019.
2. 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 a projection of assessed valuations available at the time of filing of this statement, is \$0.025 per \$100 of assessed valuation (or \$25.00 per \$100,000 of assessed value) for fiscal year 2027-28.
3. 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 \$0.025 per \$100 of assessed valuation (or \$25.00 per \$100,000 of assessed value), which is projected to be the same in every fiscal year that the bonds remain outstanding.

TAX RATE STATEMENT (CONTINUED)

4. 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 \$651,232,875.

Voters should note the 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. 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 are not binding upon the District. The actual debt service, the 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 bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The date of sale and the amount of bonds sold at any given time will be determined by the District based on the need for project funds and other factors. The actual interest rates at which the bonds will be sold will depend on 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.

Dr. Cindy Miles
Chancellor
Grossmont-Cuyamaca Community College District

ARGUMENT IN FAVOR OF MEASURE X

East County/Grossmont-Cuyamaca Community Colleges Affordable College, Job Training, Campus Repair, Veteran Support Measure.

Make College Affordable.

Local students rely on Grossmont-Cuyamaca Community Colleges for college credits and job skills at a reasonable cost and transfer to 4-year colleges and universities.

Assist Veterans Re-Entering the Civilian Workforce.

Thousands of veterans – many returning from war zones – face challenges, including stress and disabilities. Measure X expands Veterans Services and job training to provide support our veterans need.

Train Workers for 21st Century Careers.

Measure X will build new state-of-the-art classrooms and labs, expand access to training programs, and help students learn new skills and find jobs in business, technology, early childhood education, public safety engineering or health care.

Accountability & Transparency.

- Independent Citizens Oversight Committee.
- No funds for Administrators' Salaries.
- Funds must be spent locally.
- Annual, Independent Audits posted online.
- Detailed Public Expenditure Plan.

A+ Bond Oversight Transparency – San Diego Taxpayers Association

Critically-Needed Repairs.

Many college buildings, classrooms and labs are old and run-down. Measure X repairs deteriorating classrooms, removes asbestos, insures earthquake safety, upgrades electrical, gas/sewer lines, fixes leaky roofs, and replaces outdated plumbing.

An Economic Engine for East County.

Measure X is part of an innovative public-private partnership to bring "New Tech"/21st Century jobs to East County. Presently, East County doesn't have enough good paying jobs or economic opportunities. Many students leave the area to find work.

Prop. X will build a Workforce Training Center as the centerpiece of an economic development zone near Gillespie Field. A skilled workforce on site will attract technology, health care, engineering, biotech/life sciences, and advanced manufacturing firms, providing an economic engine for East County that will create thousands of good paying jobs.

Interest rates and inflation are at record lows. It will only cost more if we wait.

YES ON MEASURE X

Careers and Affordable College Education for East County

JIM MAHLER
President,
American Federation of Teachers (AFT)

LINDA LEGERRETTE
Middle Class Taxpayers Assn.

RAFAEL NAVARRETE
Former Grossmont-Cuyamaca Student Trustee
Marine Veteran of Iraq War

SCOTT BARNETT
President
TaxpayersAdvocate.org

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE X

This is my personal story about how this bond, and the hidden deals behind it, harm me and my small business in East County.

My name is Mary Smith and I own Interpipe Contracting, Inc. We started in East County 31 years ago. We employ 36 people, most of whom live in East County. My daughters went to college in this District. We helped build the Health and Sciences Complex at Grossmont College and the Student Center at Cuyamaca College.

Despite our past success, and our commitment to pay prevailing wage and provide excellent benefits, this District wants to shut out my workers on this bond. Why? Because buried deep in the paperwork of this bond is a political deal to mandate a unionized workplace.

This political deal prevents my employees from working in their own community simply because they choose not to unionize. It's not fair to discriminate against hard working qualified construction workers based on union status. If this type of discrimination spreads, we will be forced to lay off our local workers. Back-room political deals like this hurt local businesses and motivate industrious young people to leave California.

Please don't endorse this type of discrimination with your vote. Send this bond back to the drawing board and tell these politicians to fix it to include all local workers. We all deserve the right to work in East County.

Please Vote No on Measure X.

NoOnXEastCounty.Com

MARY SMITH
Owner, Interpipe Contracting, Inc.
Santee, California

ARGUMENT AGAINST MEASURE X

Vote No on Measure X.

This is too much money, too soon, to give to the politicians on the governing board of the Grossmont-Cuyamaca Community College District. Here is why, in our opinion, East County voters should VOTE NO on this tax increase.

EXPENSIVE – Through bond measures in 2002 and 2012, the District raised property taxes for East County property owners and would do so again through this measure. Unlike other school bond measures which maximize the value and return for taxpayers, interest and principal on these bonds will total over a BILLION DOLLARS that will be paid off by generations over the next thirty years with limited value and returns. This debt is **PREMATURE** and **UNFAIR**.

PREMATURE – The District has not yet completed all of the projects that were approved in its previous measure. It is now seeking funds to complete new projects instead of making spending adjustments in other areas. Let's not add this **EXPENSIVE** and **UNFAIR** debt on the back of homeowners.

UNFAIR DEALS – The District went back on a promise to the San Diego County Taxpayers Association that it would not negotiate any deal that favored union construction workers over non-union workers. Language in this new measure also indicates plans to negotiate another agreement with union workers, which does not promote fair and open competition in the construction bidding process and could increase costs. The District's Citizen Bond Oversight Committee advised against these types of unfair labor deals, but the politicians ignored their own oversight board.

PLEASE VOTE NO. This District should honor its past promises before it receives new money.

NoOnXEastCounty.com

HANEY HONG
San Diego County Taxpayers Association, President & CEO

GEORGE HAWKINS
Grossmont-Cuyamaca Bond Oversight Committee, former member

ALEX GALICIA
Veteran Owned Small Business of the Year Winner

RANDY VOEPEL
Mayor of Santee

STEVE BABBITT
La Mesa-Spring Valley School Board

REBUTTAL TO ARGUMENT AGAINST MEASURE X

The Opponents have their facts wrong . . .

The Grossmont Cuyamaca-Community College District has been widely lauded for its past bond programs. This summer, the District earned 100% Transparency Rating from the San Diego County Taxpayers Association.

In Measure X, Ironclad Taxpayer Safeguards have been built in:

All funds, by law, must be spent locally.

Annual, Independent Audits account for every penny.

Independent Oversight Committee, with Taxpayer Representation, insures all funds spent as Promised.

NO funds for Administrators' salaries.

Funding Sacramento CANNOT take away!

That's why the **Middle Class Taxpayers Association** (San Diego's largest taxpayer organization) supports Measure X.

East County's Affordable College

For 50+ years, East County residents have been able to obtain an affordable path to college or careers at Grossmont College (since 1964) and at Cuyamaca College (since 1978). For tens of thousands of our neighbors, Grossmont and Cuyamaca Colleges have been a vital step up the ladder into America's Middle Class.

21st Century Education

Measure X will enable Grossmont and Cuyamaca Colleges to better prepare students for 21st Century careers. Measure X will renovate and upgrade classrooms and build state-of-the-art science and computer labs. Measure X will build a new Workforce Training Center to help East County attract high-demand tech jobs.

Skills and Counseling for Veterans.

Measure X will help Grossmont and Cuyamaca Colleges provide skills and counseling for veterans returning to the civilian workforce.

YES on Measure X

Careers and Affordable College Education for East County.

STEVE DEVAN
President & Chief Executive Officer (CEO)
East County Schools Federal Credit Union

BILL FISCHBECK
Board Member,
East County Economic Development Corp.,
Aerotropolis Steering Committee

JUDY GARRETT
Council Chair,
Foundation for Grossmont & Cuyamaca Colleges

THOMAS L. BROWN II
Rear Admiral,
U.S. Navy (retired)

REV. A. WAYNE RIGGS
Captain
Chaplain Corps, US Navy (retired)

FULL TEXT OF MEASURE X

GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT BOND MEASURE ELECTION NOVEMBER 8, 2016

PROJECTS

The Board of Trustees of the Grossmont-Cuyamaca Community College District, to be responsive to the needs of its community, evaluated each of Grossmont College's and Cuyamaca College's urgent and critical facility needs, and its capacity to provide students, and returning **Veterans** with **support** and **job training** facilities, and an **affordable education** to prepare them for success in **college** and **good-paying jobs**. Veteran's support, and the **importance of programs to meet the workforce needs of our area**, along with safety issues, **job training** facilities, class size and offerings, and information and computer technology were each considered in developing the scope of projects to be funded. In developing the scope of projects, **job training** facilities and programs to meet the workforce needs of our area, facilities **supporting** programs and educational resources for **Veterans**, and the expansion of opportunities for local students to receive an **affordable**, quality **education**, were **prioritized**. If these facility needs are not addressed now, neither Grossmont College or Cuyamaca College would be able to remain competitive in preparing students for jobs in high demand industries and **university transfer**. The Board of Trustees determines that **Grossmont College and Cuyamaca College MUST**:

- (i) **Expand programs to meet the workforce needs of East County, particularly in computer science and technology;**
- (ii) **Improve support programs and educational resources for Veterans;**
- (iii) **Better prepare students and workers for good-paying jobs;**
- (iv) **Partner with local businesses to increase job opportunities in technology, aerospace, defense, manufacturing, math, science, healthcare and other jobs;**
- (v) **Ensure that all money raised by this measure will stay in East County to support local students, and cannot be taken away by the State or used for other purposes;**
- (vi) **Adhere to stringent fiscal accountability safeguards including:**
 - (a) **All expenditures will be subject to annual independent financial audits;**
 - (b) **No funds will be used for administrators' salaries and pensions.**

FULL TEXT OF MEASURE X (CONTINUED)

The following types of projects are authorized to be undertaken at each of the District's locations:

PROVIDE JOB TRAINING AND VETERAN SUPPORT:

Facility Improvements To Support Economic Development in East San Diego County

Goals and Purposes: Grossmont College and Cuyamaca College provide essential job training for students of all ages, veterans, and local residents. This measure will build new, state-of-the-art classrooms and labs, expanding access to training programs, that help students learn new skills and find better paying jobs in business, technology, nursing, early childhood education, public safety, advanced manufacturing and other high-demand careers.

The Chamber of Commerce and leading economists believe this measure, and the public-private partnership it will create between our community college and local businesses, will be a critical economic engine for our area, including creating thousands of good-paying jobs and increasing investment in our area.

- Expand and improve facilities which provide job training and support services to military veterans and their families.
- Upgrade classrooms, science labs and technology classrooms to better prepare students to transfer to four-year colleges and universities.
- **Build a career and job training campus focused on preparing students, Veterans, and workers for technology, aerospace, defense, manufacturing, engineering and other jobs.**
- Upgrade and construct vocational and job training classrooms.
- Upgrade classroom technology.
- Upgrade facilities to increase programs to meet the workforce needs of East County.

PROVIDE AN AFFORDABLE EDUCATION FOR LOCAL RESIDENTS AND VETERANS

Goals and Purposes: The cost to attend the California public universities has risen to at least six times that of attending a community college, therefore, more local students and their families rely on Grossmont College and Cuyamaca College to start their education and save tens of thousands of dollars. Additional funds are needed to ensure local students have the opportunity to earn collect credits and certifications, learn job skills at a reasonable price, and transfer to four-year universities.

FULL TEXT OF MEASURE X (CONTINUED)

Grossmont and Cuyamaca Community Colleges and their higher education centers have served thousands of military veterans, many of who have recently returned from war zones and face challenges including post-traumatic stress disorder and permanent disability. This measure will upgrade and expand veteran services and job training so returning Service Members receive the support they need to complete their education and enter the civilian workforce.

- Replace deteriorating gas, electrical and sewer lines.
- Improve water conservation.
- Improve facilities for healthcare, nursing and dental programs.
- Update classrooms and labs for science, technology, engineering and math-related fields.
- Remove asbestos and lead paint from classrooms and facilities.

* * *

FISCAL ACCOUNTABILITY

This bond measure has strict accountability requirements including:

1. All money will benefit Grossmont College and Cuyamaca College campus and CANNOT BE TAKEN BY THE STATE.
2. NO MONEY can be used for ADMINISTRATOR SALARIES or pensions.
3. Require CITIZENS' OVERSIGHT and yearly audits to ensure all funds are used locally, effectively and as promised.
4. 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, including teacher, faculty and college administrator salaries, pensions and other operating expenses.
5. FISCAL ACCOUNTABILITY. 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 MUST INCLUDE, AMONG OTHERS, REPRESENTATION OF A BONA FIDE TAXPAYERS ASSOCIATION, A BUSINESS ORGANIZATION AND A SENIOR CITIZENS ORGANIZATION. NO DISTRICT EMPLOYEES OR VENDORS ARE ALLOWED TO SERVE ON THE CITIZENS' OVERSIGHT COMMITTEE.

FULL TEXT OF MEASURE X (CONTINUED)

The listed projects will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program/project management, staff training expenses, a customary contingency, and costs associated with the Total Cost of Ownership of facilities and equipment. In addition to the listed projects stated above, authorized projects also include the acquisition of a variety of instructional, maintenance and operational equipment, including interim funding incurred to advance fund projects from payment of the costs of preparation of all facility planning, fiscal reporting, facility studies, assessment reviews, facility master plan preparation and updates, environmental studies (including environmental investigation, remediation and monitoring), design and construction documentation, and temporary housing of dislocated college activities caused by construction projects. In addition to the projects listed above, repair, renovation and construction projects may include, but not be limited to, some or all of the following: renovation of student and staff restrooms; replace aging electrical and plumbing systems; repair and replacement of heating, ventilation and air conditioning systems; acquire vehicles; upgrade of facilities for energy efficiencies, including photovoltaic/solar installations; repair and replacement of worn-out and leaky roofs, windows, walls doors and drinking fountains; replace or remove outdated buildings and classrooms and construction of new classrooms and support buildings; installation of wiring and electrical systems to safely accommodate computers, technology and other electrical devices and needs; upgrade facilities to meet earthquake safety standards, current environmental sustainability and State compliance standards; repair and replacement of fire alarms, intrusion alarms, emergency communications and security systems; upgrading, resurfacing, replacing or relocating of hard courts, fields, turf and irrigation systems; install sod or artificial turf on athletic fields; upgrade classrooms; build or upgrade facilities; construct, expand or reconfigure facilities to create large lecture classrooms; construct parking lots or structures, upgrade, resurfacing and reconditioning existing parking lots; improve vehicular access and traffic circulation; improve pathways, such as sidewalks, pedestrian crossings; improve drop-off zones; repair, upgrade and install interior and exterior lighting systems; replace water lines and valves, gas and sewer lines and other plumbing systems; construct, upgrade, acquire or expand multi-use classrooms and labs, business and computer technology center, child development centers, classrooms and labs, buildings or labs for environmental sciences, outdoor learning, institutional technology, general education, performing arts facilities, physical education/aquatic facilities, gym, locker rooms, courts and court/field lighting, track replacement, support buildings, instructional buildings, athletic fields, dugouts, stadium seating and lighting, improve water conservation and energy efficiency; acquire land; replace or upgrade outdated security and safety systems; replace existing window systems with energy-efficient systems to reduce costs; improve insulation, weatherproofing and roofs to reduce costs; improve access for the disabled; install and repair fire safety equipment, including alarms, smoke detectors, sprinklers, emergency lighting, and fire safety doors; replace broken concrete walks, deteriorated asphalt; replace/upgrade existing signage, bells and clocks; demolition of unsafe facilities; install new security systems, such as security (surveillance) cameras, burglar alarms, handrails, outdoor lighting, fencing, gates and classroom door locks; create outdoor study and gathering spaces; interior and exterior painting, wall and floor covering replacement; improve drainage systems to prevent flooding; upgrade roadway and pedestrian paths for improved safety and access for emergency vehicles, site parking, utilities and grounds. The project list also includes the refinancing of outstanding lease obligations.

FULL TEXT OF MEASURE X (CONTINUED)

The upgrading of technology infrastructure includes, but is not limited to, build a data center, upgrade classroom technology, expand wireless internet access, acquire portable interface devices, computers, servers, switches, routers, modules, sound projection systems, information systems, printers, digital white boards, upgrade voice-over-IP, communication systems, audio/visual and telecommunications systems, call manager and network security/firewall, Internet connectivity, wireless systems, technology infrastructure, and other miscellaneous IT and instructional equipment, DATA storage, fiber/copper infrastructure, phones, identity access cards and the creation.

The allocation of bond proceeds may be affected by the final costs of each project. Some projects may be undertaken as joint use projects in cooperation with other local public or non-profit agencies. 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 and construction documents are finalized, construction bids are received, construction contracts are awarded and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating more enhanced and operationally efficient campuses. Necessary site preparation/restoration may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property.

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