

FULL TEXT OF MEASURE G-06

To prepare Cuesta College students for skilled jobs and university transfer by:

- Repairing deteriorating roofs, plumbing, mechanical and electrical systems
- Building and modernizing classrooms, science and computer labs, dental hygiene and job training centers
- Updating classroom and lab technology
- Acquiring facilities/sites and constructing and equipping buildings, classrooms and labs

Shall the San Luis Obispo County Community College District issue \$310,000,000 in bonds at legal rates, with citizen oversight and no money for salaries?

Bonds—Yes

Bonds—No

ACCOUNTABILITY MEASURES

As required by Section 53410 of the California Government Code, the following accountability measures are hereby made a part of the bond proposition:

- (a) The specific purpose of the Bonds is to improve and equip the District's facilities by building and modernizing classrooms, science and computer labs and job training centers; repairing deteriorating plumbing and electrical systems; expanding technology in District classrooms; and repairing, acquiring, constructing, equipping buildings, sites, classrooms.
- (b) The proceeds from the sale of the Bonds will be used only for the purposes specified in the bond proposition, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
- (c) The proceeds of the Bonds will be deposited into a Building Fund to be held by the San Luis Obispo County Treasurer, as required by the California Education Code.
- (d) The Superintendent/President of the District will file an annual report with the Board of Trustees of the District, commencing not later than June 1, 2007, and annually thereafter, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in the bond proposition.

AUDIT REQUIREMENTS

As required by Article XIII A, if 55% of the voters in the District approve the issuance of the Bonds, the District will:

- (a) conduct an annual, independent performance audit to ensure that the Bond proceeds have been expended only on the projects listed in the ballot proposition;
- (b) conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the school facilities projects; and
- (c) establish and appoint members to an independent citizens' oversight committee in accordance with applicable law.

BOND PROJECT LIST

Evaluation of Needs. As required by Article XIII A of the California Constitution, the Board of Trustees of the District has certified that it has evaluated safety, class size reduction and information technology needs in developing the list of school facilities projects shown below.

Projects Subject to Available Funding. The following list of projects is subject to the availability of adequate funding to the District.

Scope of Projects. Bond proceeds will be expended to modernize, replace, renovate, construct, equip, furnish and otherwise improve any of the following facilities of the District. The specific school facilities projects which are described below include all related and incidental costs, including costs of design, engineering, architect and other professional services, site preparation, utilities, landscaping and other incidental costs, and construction management. The District may alter any of the specific projects which are described below as required by conditions which arise during the course of design and construction.

I. Modernization, Repair and Renovation Projects

North County and San Luis Obispo Campus Building Lighting and Signage
North County Campus Outdoor Playing Fields (Including Outdoor Restrooms)
North County and San Luis Obispo Campus Removal of Architectural Barriers
North County and San Luis Obispo Campus Re-roofing, Electrical, Plumbing and Mechanical Systems Upgrade
San Luis Obispo Campus Broadcast/Communications Studio/Lab

San Luis Obispo Campus Building 1700 Remodeling Into A Cardio Fitness Center

San Luis Obispo Campus Ceramics/Sculpture/Foundry Lab

San Luis Obispo Campus Gymnasium

San Luis Obispo Campus Hollister Adobe

San Luis Obispo Campus Humanities Forum/Lecture Hall

San Luis Obispo Campus Nursing Skills Lab

San Luis Obispo Campus Outdoor Playing Fields

San Luis Obispo Campus Outdoor Restrooms

San Luis Obispo Campus Science Forum/Lecture Hall

San Luis Obispo Campus Upgrade of Classrooms and Offices

II. Projects Which May be Assisted by State Matching Funds

North County Campus Library/Learning Resource Center

North County Campus Trades & Technology Building

San Luis Obispo Campus Physical Sciences Building

San Luis Obispo Campus Theater Arts Building

III. Property Acquisition Required to Retire Existing Obligations

Proceeds of the Bonds are authorized to be applied to finance or refinance the acquisition of property by the District for the purpose of retiring long-term obligations of the District, as follows:

Acquisition of the Student Center property which is currently leased to the District by the San Luis Obispo County Community College Financing Corporation (the "Financing Corporation") under a First Amended and Restated Lease Agreement dated February 1, 1996.

Acquisition of certain equipment consisting generally of heating, ventilation and air conditioning systems installed in District buildings, which has been leased to the District under an Equipment Project Lease/Purchase Agreement dated May 7, 1998, between the District and LaSalle National Bank.

Acquisition of the North County Campus property which is currently leased to the District by the Financing Corporation under a First Amended and Restated Lease Agreement dated July 1, 2003.

IV. Technology Infrastructure and Equipment

Information Technology: New Management Information System

Proceeds of the Bonds may be applied to finance the acquisition and installation of a new integrated software system for the District to replace the existing obsolete system of the District.

Instructional/Non-Instructional Equipment

Proceeds of the Bonds may be applied to finance the acquisition and installation of new computers and related technology equipment for the District. Bond proceeds may also be applied to finance the acquisition and installation of additional technology equipment including the following:

Computer Replacement

Dental Hygiene Equipment

Instructional Technology Equipment

Lab Equipment Replacement

V. Site Infrastructure

Site infrastructure (including utilities, sewer, and water) on approximately 75 undeveloped acres across from the San Luis Obispo Campus, including costs of planning, studies, environmental impact reports, engineering and other preliminary development costs.

Landscaping and irrigation systems at both the San Luis Obispo Campus and the North County Campus.

Parking lots at both the San Luis Obispo Campus and the North County Campus.

VI. New Permanent Buildings

District Job Training Center

North County Campus Dental Hygiene Building

North County Campus Early Childhood Education Building

North County Campus Humanities Building

North County Campus Performing Arts Building

North County Campus Physical Education Building/Swimming Complex

North County Campus Student Support Services Building

San Luis Obispo Campus Expansion/Remodeling of Administration Building

San Luis Obispo Campus Math Building

San Luis Obispo Campus Warehouse, Shipping/Receiving Facility

South County Center Classrooms/Labs

South County Center Land Purchase or Long-term Lease

South County Center Site Infrastructure Development

South County Center Student Support Services Building

Construction Management and Construction Cost Escalation

IMPARTIAL ANALYSIS OF MEASURE G-06

This measure will determine whether the San Luis Obispo Community College District shall issue \$310 million in bonds, for terms and at interest rates not to exceed the maximums permitted by law.

On November 7, 2000, the voters of California passed "Proposition 39," amending Article XIII A, section 1(b)(3) of the California Constitution. That amendment authorizes the District to incur bonded indebtedness for the purpose of financing the construction, reconstruction, rehabilitation, or replacement of school facilities, in accordance with certain accountability requirements, upon approval of 55% of the voters voting on the measure.

If approved, the measure will allow the District to issue up to \$310 million in bonds for the purpose of improving and equipping District facilities by: (1) building and modernizing classrooms, science and computer labs and job training centers; (2) repairing deteriorating plumbing and electrical systems; (3) expanding technology in District classrooms; and (4) repairing, acquiring, constructing, and equipping buildings, sites, and classrooms. The bonds and interest thereon would be financed by ad valorem taxes levied annually on taxable real property within the District. These taxes would be in addition to the property taxes currently levied on taxpayers within the District. The District's Tax Rate Statement reflects an estimate of the maximum property tax levies required to service the bonds.

The District resolution calling for the measure, together with the specific provisions of the measure, include the following accountability provisions:

1. That the proceeds from the bond sale will be used only for the purposes listed in the bond measure and not for any other purpose including teacher and administrator salaries and other operating expenses.
2. A list of the specific facilities projects to be funded and certification that the District Board has evaluated safety, class size reduction and information technology needs in developing that list.
3. That the District Board will conduct an annual, independent performance audit to ensure that the funds have been spent only on the specific facilities projects listed in the measure.
4. That the District Board will conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of such proceeds from the sale of the bonds have been spent for the facilities projects listed in the measure.
5. That the District will maintain the proceeds from the bonds in a separate account and shall issue and file a report in accordance with Government Code section 53411.
6. That the District Board will establish a citizens oversight committee to monitor expenditures and to ensure that bond proceeds are used to fund the specific facilities projects listed in the full text of the measure.

A "Yes" vote on this measure is a vote in support of the issuance of \$310 million in bonds to be used only for the purpose of acquiring and improving school facilities within District.

A "no" vote on this measure is a vote against the issuance of \$310 million in bonds to be used only for the purpose of acquiring and improving school facilities within the District.

s/ JAMES B. LINDHOLM, JR.
County Counsel

Approval of Measure G-06 does not guarantee that the proposed project or projects in the San Luis Obispo Community College District that are the subject of bonds under Measure G-06 will be funded beyond the local revenues generated by Measure G-06. 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 FOR MEASURE G-06 SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT (CUESTA)

An election will be held in the San Luis Obispo County Community College District of San Luis Obispo and Monterey Counties on June 6, 2006, to authorize the sale of \$310,000,000 in general obligation bonds. The following information is submitted in compliance with Sections 9401 and 9404 of the California Elections Code.

1. The best estimate of the tax rate which 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 2.48 cents per \$100 (\$24.87 per \$100,000) of assessed valuation in fiscal year 2006-07.

2. The best estimate of the highest tax rate which would be required to fund this bond issue, based on estimated assessed valuations available at the time of filing this statement, is 2.50 cents per \$100 (\$25.00 per \$100,000) of assessed valuation in fiscal year 2007-08.

3. The best estimate of the tax rate which 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 2.48 cents per \$100 (\$24.81 per \$100,000) of assessed valuation in fiscal year 2015-16.

4. Based on the District's estimate of when bonds will be sold, the interest rates prevailing at the time of such bond sales, and the projected growth in assessed valuation, the best estimate of the average tax rate which would be required to fund this bond issue is 2.47 cents per \$100 (\$24.71 per \$100,000) of assessed valuation.

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, actual increases in assessed valuations, and the actual maturity of each issue of bonds (which is assumed to be approximately 30 years or less). The timing of the bond sales and the amount of bonds sold at any given time will be governed 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.

s/ MARIE E. ROSENWASSER
President, San Luis Obispo County Community College District

ARGUMENT IN FAVOR OF MEASURE G-06

Measure G will renovate, repair and modernize Cuesta College.

Since 1964, Cuesta College has been a leader in job training and higher education in our community. Tens of thousands of local success stories have begun at Cuesta College.

Career training has changed. Like any home that is over 40 years old, Cuesta College is in critical need of repair, renovation and modernization. That's why Measure G has been placed on the ballot.

Measure G will repair leaky roofs, decaying walls, sewer systems, and outdated electrical systems. It will provide local students the 21st Century education they need by adding the technology, classrooms and science labs needed for job training and successful transfer to a four year university.

Measure G is fiscally responsible because it will be far less expensive now to local taxpayers to upgrade and repair aging college buildings, facilities and equipment than in the future.

Local business leaders support Measure G because they understand the role Cuesta College plays in our local economy. Thousands of nurses, accountants, engineers, computer programmers, technicians, teachers, public safety officers, and other professionals all get their start at Cuesta College.

Cuesta College is one of the most utilized institutions in SLO County. A recent survey showed that two-thirds of all residents or a family member had taken one or more classes at Cuesta College.

There are taxpayer safeguards within Measure G. Not one penny can be spent on administrators' salaries. A Citizens' Taxpayer Oversight Committee will be formed and independent annual audits will be conducted to ensure that Measure G is being used for authorized projects.

A broad coalition of community and business leaders—Republicans, Democrats and Independents—have thrown their support behind Measure G.

Please join us in renovating and modernizing Cuesta College.

s/ CARROL PRUETT, Chairman, Mid-State Bank & Trust

s/ DEE LACEY, Business Owner, Lacey Livestock

s/ KATCHO ACHADJIAN, Chairman, San Luis Obispo Co. Board of Supervisors

s/ JERRY LENTHALL, Member, San Luis Obispo Co. Board of Supervisors

s/ JULIAN CROCKER, San Luis Obispo Co. Superintendent of Schools

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE G-06

Cuesta states that this bond will help renovate, repair and modernize the college – but **less than 14% of this bond is for renovation, repair, and modernization.**

Cuesta is currently struggling with declining enrollments. Both the SLO County Education Forecast and the California Legislative Analyst's Office are predicting **fewer students in the future.**

Cuesta states **86% of the funding** they are asking taxpayers for **is to build out the North County campus and to create a new South County campus.**

The California Department of Education says that an increasing number of **college students use the Internet from home as their connection to distance learning.** The trend is for more students to choose this option as a convenient way to take some classes, **thus greatly reducing the need for buildings or additional campuses.**

Without students, these new buildings will sit empty for years! This is a poor use of our property tax dollars.

Measure G is not fiscally responsible when continuing declining enrollments indicate that there is no need for expansion.

With continuing and projected low enrollments, and only 14% of the bond money slated for modernization and repair of the college...

Giving Cuesta a blank check for \$310 million is not in the community's best interest!

s/ R. DEAN GILLIGAN

Citizens Awareness Program (CAP)

ARGUMENT AGAINST MEASURE G-06

Cuesta states that they will issue bonds at the *maximum* of \$25.00 per \$100,000 assessed property value over the next 30 years thus collecting **\$310,000,000.** This dollar figure *does not tell you* that it will cost you additional property taxes each year as your assessed value increases at the annual rate of 2% per year (allowable by Proposition 13) – thus the amount **YOU PAY** for the bond **WILL** go up over a period of years. This will be devastating to first time homebuyers to the area who are already carrying a mortgage for a home with a market value of \$600,000 or above! This means that a taxpayer recently buying the county's median-priced home for \$600,000 with a property tax payment of approximately \$6,000+ annually will be assessed **an additional \$150** on their property tax bill **in the first year with progressive increases reflecting the 2% increase each additional year over the life of this proposed 30-year bond.**

If an individual is on a fixed income, or barely able to meet their mortgage obligation now, how will this tax increase affect them in the long term? Is this bond initiative another opportunity to erode the decisions made by the voters when they approved Proposition 13?

What about other community concerns? Paso Robles is asking for money to support upgrades to the Paso Robles High School. Los Osos is struggling with a sewer project that is costing that community millions. Other cities want sales tax increase initiatives before the voters to help with dwindling budgets that are unable to cover important city services. The county's Education Forecast for the near future predicts enrollments will continue to decline! We value Cuesta but financing a **\$310 million dollar bond IS NOT the best option** for our community.

s/ R. DEAN GILLIGAN, Chair

Citizens Awareness Program (CAP)

REBUTTAL TO ARGUMENT AGAINST MEASURE G-06

Measure G is about the future of Cuesta College and our community.

Cuesta College needs to update classrooms, laboratories, technology and equipment. To educate our students for highly skilled jobs and transfer to four-year universities at the level required for the 21st century, Cuesta College needs to repair and renovate aging buildings, fix leaky roofs and broken mechanical systems, finish its infrastructure, and improve access.

Measure G will allow Cuesta College to meet the needs of our community by training nurses, computer technicians, child care providers, accountants, emergency services, law enforcement, and other professionals, as well as offer classes for our senior population.

Measure G mandates that a Citizens Taxpayer Oversight Committee be appointed to ensure that expenditures are used for authorized projects and that independent, annual audit are conducted. Measure G funds may not be used for salaries.

Cuesta College will lose millions of dollars in State allocated funds for four essential buildings without local matching dollars. Cuesta will also be eligible for future State matching funds with the passage of Measure G.

Local business leaders, facility experts and financial planners played an integral role in planning Measure G to ensure that our community's investment is well protected. They know that after educating thousands of students in the last 43 years, Cuesta College needs to repair, modernize and build for the future.

Please help us ensure the future of Cuesta College and the community we serve.

Support Measure G.

s/ CARROL PRUETT, Chairman, Mid-State Bank & Trust

s/ DEE LACEY, Business Owner, Lacey Livestock

s/ KATCHO ACHADJIAN, Chairman, San Luis Obispo Co. Board of Supervisors

s/ JERRY LENTHALL, Member, San Luis Obispo Co. Board of Supervisors

s/ JULIAN CROCKER, San Luis Obispo Co. Superintendent of Schools