With no increase in estimated tax rates, shall San Miguel Joint Union School District’s measure to retrofit classrooms for agricultural sciences, student safety and school security; upgrade emergency preparedness; and increase student access to internet/technology at Lillian Larsen and Cappy Culver Schools be adopted, authorizing $6,200,000 in bonds, extending but not increasing current rates (3¢ per $100 of assessed valuation while bonds are outstanding) and raising $580,000/year for bond repayment with legal interest rates, annual audits and citizens’ oversight?

Bonds—Yes

Bonds—No

BOND AUTHORIZATION

By approval of this proposition by at least 55 percent of the registered voters voting on the measure, the San Miguel Joint Union District (the “District”) will be authorized to issue and sell bonds of up to $6.2 million in aggregated principal at interest rates not in excess of the legal limit and to provide financing for the specific projects listed in the Bond Project List described below, subject to all the accountability requirements specified below.

The Bonds may be issued under the provisions of the California Education Code (starting at Section 15100), under the provisions of the California Government Code (starting at Section 53506), or under any other provision of law authorizing the issuance of general obligation bonds by school districts. The Bonds may be issued in series by the District from time to time, and each series of Bonds shall mature within the legal limitations set forth in the applicable law under which the Bonds are issued.

FINANCING PLAN

The District intends to use the Bonds to modernize, replace, renovate, construct, equip, acquire and rebuild the District facilities on the Bond Project List.

All Bonds will be sold as current interest bonds and the use of capital appreciation bonds will not be permitted. No series of Bonds will be issued if such issuance would cause the tax rate levied to pay debt service on all of the outstanding Bonds to exceed $30 per year per $100,000 of taxable property, based on projections made by the District at the time of issuance of such series of Bonds.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers in the District may be assured that their money will be spent wisely. Expenditures to address specific facility needs of the District will be in compliance with the requirements of Article XIII A, Section 1(b)(3), of the State

**Evaluation of Needs.** The Governing Board of the District (the "Governing Board") has identified detailed facility needs of the District and has determined which projects to finance from a local bond at this time. The Governing 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 Governing Board shall establish an Independent Citizens’ Oversight Committee under Education Code Section 15278 and following to ensure that bond proceeds are expended only on the school facilities projects described in the Bond Project List below. The committee will be established within 60 days of the date when the results of the election appear in the minutes of the Governing Board.

**Annual Performance Audits.** The Governing Board shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects described in the Bond Project List below.

**Annual Financial Audits.** The Governing Board shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects described in the Bond Project List below.

**Annual Report to the Board.** As long as any proceeds of the bonds remain unexpended, the Superintendent shall cause a report to be filed with the Governing Board no later than January 1 of each year, commencing on the first January 1 after bonds have been issued and proceeds spent, stating (1) the amount of bond proceeds received and expended in the past fiscal year, and (2) the status of any project funded or to be funded from bond proceeds. The report may be incorporated into the annual budget, annual financial report, or other appropriate routine report to the Board.

**Expenditure of Bond Proceeds.** The proceeds from the sale of the District’s bonds will be used only for the purposes specified in this measure, and not for any other purpose. Such proceeds will be deposited into a Project Fund to be held by the San Luis Obispo County Treasurer, as required by the California Education Code.

**FURTHER SPECIFICATIONS**

**No Administrator Salaries.** Proceeds from the sale of bonds authorized by this proposition shall be used only for the school facilities projects described in the Bond Project List below, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

**Single Purpose.** All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Section 15100 of the California Education Code, and all the enumerated purposes shall constitute the specific single purpose of the bonds and proceeds of the bonds shall be spent only for such purpose.

**Other Terms of the Bonds.** The bonds may be issued and sold in several series, and in accordance with a financing plan determined by the Governing Board pursuant to requirements of law. When sold, the bonds shall bear interest at an annual rate and with a term not exceeding the statutory maximum. Furthermore, the weighted
average maturity of each issue of bonds will not exceed 120 percent (120%) of the
average reasonably expected economic life of the projects financed by the bonds,
consistent with federal tax law. Bond funds may be used to reimburse the District for
Bond Project List expenditures incurred prior to the election and bond issuance, in
accordance with federal tax law.

INFORMATION ABOUT ESTIMATES AND PROJECTIONS INCLUDED IN BALLOT

This measure authorizes the issuance of general obligation bonds to finance the types
of projects set forth on the Project List below, to be repaid by tax collections for the
years that the bonds are outstanding. The measure present to District voters on the
ballot, as set forth above, includes information regarding the expected average amount
of money to be raised annually to pay issued bonds, the estimated rate of the approved
tax per $100 of assessed valuation, and the year through which it is approximated the
proposed tax will be levied and collected. In preparing this information, the District
obtained reasonable and informed projections of assessed property valuations that
took into consideration projections of assessed property valuations made by the
County Assessor, if any, in accordance with Education Code Section 15100(c).

Attention of all voters is directed to the fact that the foregoing information is based
upon the District's projections and estimates only, which are not binding upon the
District, nor are the summary estimates, if any, provided in the Ballot Measure.

Each of these estimates and approximations are provided as informational only. Such
amounts are estimates only, and are not maximum amounts or limitations on the
terms of the bonds or the tax rate or duration supporting repayment of the bonds.
The approximations and estimates provided depend on numerous variables which are
subject to variations 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 valuation in the District. As such, while such estimates
and approximations have been 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, equip,
acquire and rebuild the District’s facilities including but not limited to Lillian Larsen
School and Cappy Culver School 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.

Such projects shall include but shall not be limited to:

- Acquisition and equipping of modular buildings for classrooms, science labs,
  agricultural science, woodshop and robotics/high-tech labs
• Retrofitting and modernization of school kitchens and cafeterias
• Upgrading and replacement of outdated heating, ventilation, and air-conditioning (HVAC) systems
• Improvement of student safety and school security
• Upgrade of school emergency preparedness systems
• Expansion of internet access and technology

Each of 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; bond issuance costs; and project administration during the duration of such projects, as permitted by law.

The scope and nature of any of the specific projects described above may be altered by the District as required by unforeseen conditions that may arise during the course of design and construction. In the event that a modernization or renovation project is more economical for the District to be undertaken as new construction, this bond measure authorizes land acquisition, relocation and construction and/or reconstruction, and all costs relating thereto, for said reason or, alternatively, based on other considerations deemed in the best interest of the District by the Board. In addition, this measure authorizes the acquisition of real property, including necessary rights of ways or other real property interests, required to expand District facilities, to provide access to school or other District facilities, or to provide additional school or related facilities. In addition, authorized projects include reimbursements for paid project costs 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.

The order in which school facilities projects are listed in the foregoing Bond Project List does not suggest an order of priority. Project priorities will be determined by the Board. The District is unable to anticipate all unforeseen circumstances which may prevent some of the projects listed above from being undertaken or completed.
Projects Subject to Available Funding. The foregoing list of projects is subject to the availability of adequate funding to the District. 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. 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. The District plans to pursue funds from the State of California, if available, to complete certain of the identified facilities projects.