

IMPARTIAL ANALYSIS OF MEASURE C-22

This measure will determine whether the San Luis Coastal Unified School District ("the District") shall issue \$349 million in bonds for the purpose of acquiring real property and improving school facilities within the District. The measure has been placed on the ballot by the District's Board of Trustees and will become effective only if fifty-five percent (55%) of the voters of the District vote "yes" on the measure.

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 to finance the construction, reconstruction, rehabilitation, or replacement of school facilities, in accordance with certain accountability requirements. To implement the requirements of Proposition 39, the Legislature enacted the "Strict Accountability in Local School Construction Bond Act of 2000" (Educ. Code, § 15264, et seq.).

If approved, this measure will authorize the District to issue up to \$349 million in general obligation bonds, bearing interest at rates not to exceed legal limits. Bond proceeds will be used to fund projects identified in the full text of the measure. The proceeds from the sale of the bonds will be used only for modernization, expansion, acquisition, construction, reconstruction, rehabilitation or replacement of school facilities, including furnishing and equipping of school facilities and for no other purpose, including teacher and employee salaries and other school operating expenses. Approval of the measure does not guarantee that any particular project will be funded.

Principal and interest on the bonds will be payable from the proceeds of ad valorem taxes levied annually on taxable real property within the District. These taxes are in addition to the property taxes currently levied on District taxpayers. The amount of the increased taxes each year will depend upon the amount needed to pay the principal and interest on the bonds. The District's Tax Rate Statement, which accompanies this analysis,

reflects an “estimate” of the maximum property tax levies required to service the bonds. The actual tax rates depend on numerous factors including, but not limited to, the amount of bonds issued and outstanding at any one time, applicable interest rates, market conditions at the time of bond sales, when bonds mature, the timing of project needs and changes in assessed valuations within the District.

Performance and financial audits must be performed annually to ensure that bond proceeds are spent only as specified in the measure, and an independent citizens’ oversight committee will monitor expenditures and provide additional oversight. Bond proceeds will be deposited in a separate account. While any bond proceeds remain unexpended, annual reports will be filed with the District Board stating the amount of bond proceeds received and expended in that year and the status of any project funded or to be funded from bond proceeds.

A “yes” vote on this measure is a vote in favor of the issuance of \$349 million in bonds to be used for the purposes set forth in the measure.

A “No” vote on this measure is a vote against the issuance of \$349 million in general obligation bonds for the purposes set forth in the measure.



RITA L. NEAL
County Counsel