
MEASURE E

LOS RIOS COMMUNITY COLLEGE DISTRICT

"Without increasing future tax rates, shall the measure to repair classrooms, facilities and labs at American River, Cosumnes River, El Dorado, Folsom Lake and Sacramento City campuses for job training, nursing/ healthcare, engineering/ science and fire/ police programs, by Los Rios Community College District to authorize \$650 million of bonds be adopted with legal rates, raising an average \$52 million per year until repaid, an average tax levy less than \$0.02 per \$100 assessed valuation, annual audits and taxpayer oversight?"

BONDS - YES _____

BONDS - NO _____

IMPARTIAL ANALYSIS BY PLACER COUNTY COUNSEL

This measure, if approved by fifty-five percent of the registered voters voting thereon, would authorize the issuance and sale of general obligation bonds by the Los Rios Community College District ("District") in the amount of up to \$650,000,000 (six hundred fifty million dollars) in aggregate principal amount. Bond proceeds would be used to fund school facilities improvements and upgrades, as more fully described in the text of the Measure, which precedes this analysis. Principal and interest on the bonds would be paid from a tax placed on the taxable property within the District. The District's estimate of the highest tax rate that would be required to fund this bond issue follows this analysis.

A general obligation bond is a form of borrowing used to fund school facilities. By law, local general obligation bonds, financed through an increase in local property taxes, can be used for renovating, reconstructing, and building new facilities and for acquiring certain new equipment. To authorize such bond issuance, school districts can seek either two-thirds or 55% voter approval. If districts seek the 55% approval, as has been done here by the District, they must meet additional accountability requirements.

To meet these accountability requirements, the District Board of Trustees has committed to the following:

- to use the bond proceeds only for the purposes set forth in the ballot measure, and not for any other purpose, such as teacher and administrator salaries and other school operating expenses.
- the safety, class size, and information technology needs of the District have been evaluated prior to determining that bond issuance was necessary.
- to conduct annual independent performance audits to ensure that the bond proceeds are expended only for the projects in the ballot measure.
- to conduct annual, independent financial audits of the proceeds from the sale of the bonds until all bond proceeds have been expended.
- to establish and appoint members to an independent citizens' oversight committee and conduct annual independent audits to ensure bond proceeds are expended only on the authorized school facilities projects.

The District has confirmed that the proposed bonds would bear interest at a rate not exceeding the statutory limit per annum and the maturity of the bonds will not exceed the statutory maximum.

A "YES" vote on this Measure would authorize the District to borrow money through the sale of bonds in an amount not exceeding \$650,000,000, such bonds to be repaid by revenue derived from an annual tax levied upon the taxable property within the District.

A "NO" vote on this Measure is a vote against authorizing the sale of bonds by the District.

This analysis is submitted by the Office of the County Counsel of Placer County pursuant to the requirements of Section 9500 of the Elections Code of the State of California.

Karin E. Schwab, County Counsel

By Brian R. Wirtz, Deputy County Counsel

ARGUMENT IN FAVOR OF MEASURE E

Vote **YES** on Measure E!

Serving all of Sacramento County, most of El Dorado County and communities in Placer, Yolo, and Solano counties — Los Rios Community College District plays a critical role in the economic health of our region. Consider:

- With four main campuses — American River, Cosumnes River, Folsom Lake, and Sacramento City Colleges — and education and outreach centers in Davis, Elk Grove, Natomas, El Dorado, Rancho Cordova, and West Sacramento, Los Rios Community College District is the region's largest and most important provider of job training to adults of all ages.
- Due to the continuing high cost of the UC and California State college systems, Los Rios Community College District provides an affordable alternative to students seeking college training or a degree.

Your **Yes vote on Measure E** will allow Los Rios Community College District to become an even more effective job training and education center. With improvements and upgrades throughout the district and **no increase in taxes**, Measure E projects will:

- Better prepare students for high-paying jobs
- Improve classrooms and labs for careers in fields such as healthcare and early childhood education
- Upgrade classrooms and labs for science, technology, engineering, and math-related fields

- Improve resources for healthcare, nursing, dental hygiene, and other job-training programs
 - Expand wildfire prevention and firefighting training programs
 - Improve educational resources for veterans
- Measure E also imposes tough, ironclad taxpayer protections by:

- NOT INCREASING TAXES**
- Ensuring** our local community college projects are eligible for state matching funds
- Requiring** independent citizen oversight and annual audits
- Prohibiting** funds from going to administrators' salaries, pensions, or benefits
- Imposing** tough legal restrictions requiring all monies to be spent locally and not taken by the state to be used elsewhere

For improved local job training, an affordable college alternative for our students, strong taxpayer protections, and **no increase in taxes**, please join us in voting **YES** on Measure E.

Doris Matsui, Congresswoman, US House of Representatives

Thomas Greene, President, American River College
Deborah Ortiz, Trustee, Los Rios Community College
Dave Gordon, Superintendent of Schools, Sacramento County Office of Education

Grace Maina, Sacramento City College Student

REBUTTAL TO THE ARGUMENT IN FAVOR OF MEASURE E

The proponents are LYING when they claim this is not a tax increase. If they're dishonest about that, why should we trust them with more of our money?

Measure E would approve \$650,000,000 in irresponsible debt to be paid back by property taxes for three decades. With interest, the total cost to taxpayers might be more than twice that much.

As usual, the people demanding higher taxes are promising us the world, but we've heard all that before. What have we learned from their broken promises and fiscal mismanagement?

The proponents talk about job training, nursing, engineering, etc., but taxpayers are also funding courses in badminton, golf, African dance, winemaking, and many interesting hobbies. (Check out the course catalogue at www.losrios.edu.)

Before raising taxes on homeowners again, the District needs to prioritize its spending and focus on critical

needs. They've wasted a fortune on things like free charging stations for electric cars, which are rarely used -- then they pretend there isn't enough for vital educational programs. It makes no sense to borrow more money when the District is squandering current revenues on frivolity and overly-generous compensation for administrators.

A college education is a valuable thing to those who earn it, but the District is not asking students to pay a penny toward Measure E. Is that fair? If additional funding is needed, students should bear a portion of the cost.

Send them a message: Please VOTE NO on Measure E!

Thomas Nowlen Hudson, President, California Taxpayer Protection Committee
Mark Wright, Chairman, Placer County Republican Party

ARGUMENT AGAINST MEASURE E

WARNING: MEASURE E IS A MASSIVE TAX INCREASE.

If this bond is approved, your property taxes will increase for the next three decades. The California Constitution ("Proposition 13") does NOT protect homeowners from tax increases to pay back voter-approved bonds like this one. If you are a renter, your rent will increase because your landlord will need to cover this tax increase. Businesses will also pass along this tax increase to their customers in the form of higher prices for goods and services. If this misguided \$650,000,000 bond is approved, struggling people will have less to spend on their own families. If you cannot afford this tax, they will seize your property and sell it to pay the bill.

This gigantic, record-breaking bond is completely unnecessary, especially after the massive funding increases that the Los Rios College District has received since the last bond was approved. Despite the explosive growth in their budgets, the same people who have been mismanaging the District's finances are back again demanding even more money and more debt, even while we are still paying off the previous debt.

It is immoral and reckless to leave our children and grandchildren burdened with irresponsible debt for

programs that should have been funded with current revenues. Once issued, bonds can never be cancelled. Bonds can only be repaid... with interest. Today's college students will still be paying for this extravagant bond after their own children have graduated. This is fiscally irresponsible!

Please review your property tax bill to see how much YOU are already paying for this District's broken promises, irresponsible spending, and mismanagement.

The special interests behind this tax increase will not stop abusing taxpayers until we stop them at the ballot box. Please help!

VOTE NO on Measure E. Enough is enough.

Thomas N. Hudson, President, California Taxpayer Protection Committee

Jean Pagnone, Treasurer, Placer County Taxpayers Association

Edward Rowen, President, Placer County Republican Assembly, Lincoln Resident

Laurie Wallace, Placer County Republican Central Committee Secretary

Ken Campbell, Past Chairman Placer County Republican Party

REBUTTAL TO THE ARGUMENT AGAINST MEASURE E

MEASURE E WILL NOT INCREASE YOUR TAXES. PERIOD.

It is a disappointing sign of the times that the authors of the argument against Measure E chose to ignore the fact that Measure E will **not** increase your taxes and instead trotted out timeworn, hackneyed exaggerations meant to scare rather than educate voters.

Here are the facts:

Measure E maintains current tax rates.

Los Rios Community College District is widely recognized throughout the state for its prudent management and conservative fiscal operations. Measure E has been carefully designed to simply maintain the current tax rates already approved by voters.

The education needs are real. Measure E addresses them.

Spread across five counties with over 1.5 million residents, Los Rios Community College District provides job training and college classes to more than 100,000 students per year. With job training programs in fields as diverse as wildfire prevention, nursing and data science, supporting and improving this vital public asset is critical to our communities' continuing economic health.

Strict taxpayer safeguards and citizen oversight will continue without interruption.

Every Measure E project will be thoroughly analyzed by the district's Board of Trustees as well as its professional auditors. An independent committee of local citizens is already in place with the legally mandated responsibility to review the spending of each and every Measure E dollar.

The decision is yours.

Measure E is a win-win for our region. **Without increasing taxes**, we can improve our local community college campuses, build new classrooms and expand needed job-training opportunities.

Please vote YES on Measure E.

Aliane Murphy-Hasan, Chair, Los Rios Citizens Bond Oversight Committee

Deborah Ortiz, Trustee, Los Rios Community College

Michael Gutierrez, President, Sacramento City College
Dave Gordon, Superintendent of Schools, Sacramento County Office of Education

Lorena Jauregui, Sacramento City College Faculty Member

FULL TEXT OF MEASURE E SUBMITTED BY LOS RIOS COMMUNITY COLLEGE DISTRICT

INTRODUCTION

The following is the abbreviated form of the bond measure:

Without increasing future tax rates, shall the measure to repair classrooms, facilities and labs at American River, Cosumnes River, El Dorado, Folsom Lake and Sacramento City campuses for job training, nursing/ healthcare, engineering/ science and fire/ police programs, by Los Rios Community College District to authorize \$650 million of bonds be adopted with legal rates, raising an average \$52 million per year until repaid, an average tax levy less than \$0.02 per \$100 assessed valuation, annual audits and taxpayer oversight?

Bonds-Yes

Bonds-No

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 \$650,000,000 in aggregated principal at interest rates not in excess of the legal limit and to provide financing for the specific educational facilities 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 community college 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.

The provisions in this section are specifically included in this measure in order that the voters and taxpayers in the District may be assured that their money will be spent wisely. Expenditures to address specific facilities 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 Board of Trustees of the District has identified detailed facilities needs of the District and has determined which projects to finance from a local bond. The 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. Following approval of this measure, the Board of

Trustees will establish an Independent Citizens' Oversight Committee, under Education Code Sections 15278 and following, to ensure bond proceeds are expended only on the types of educational facilities projects listed below. The committee will be established within 60 days of the date when the results of the election appear in the minutes of the Board of Trustees.

Performance Audits. The Board of Trustees will conduct annual, independent performance audits to ensure that the bond proceeds have been expended only on the educational facilities projects listed below.

Financial Audits. The Board of Trustees will conduct annual, independent financial audits of the bond proceeds until all of those proceeds have been spent for the educational facilities projects listed below.

Government Code Accountability Requirements. As required by Section 53410 of the Government Code, (1) the specific purpose of the bonds is set forth in this Full Text of Bond Measure, (2) the proceeds from the sale of the bonds will be used only for the purposes specified in this measure, and not for any other purpose, (3) the proceeds of the bonds, when and if issued, will be deposited into a building fund to be held by the Sacramento County Treasurer, as required by the California Education Code, and (4) the Chancellor or the Vice Chancellor of Finance and Administration of the District shall cause an annual report to be filed with the Board of Trustees of the District not later than January 1 of each year, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in this measure, as required by Sections 53410 and 53411 of the Government Code.

NO TEACHER OR ADMINISTRATOR SALARIES

Proceeds from the sale of bonds authorized by this measure shall be used only for the purposes specified in Article XIII A, Section 1(b)(3), those being for the construction, reconstruction, rehabilitation, or replacement of educational facilities, including the furnishing and equipping of educational facilities, and the acquisition or lease of educational facilities, and not for any other purpose, including teacher and administrator salaries and other operating expenses.

STATE MATCHING FUNDS

The following statement is included in this measure pursuant to Education Code Section 15122.5: Approval of this measure does not guarantee that the proposed project or projects that are the subject of bonds under this measure will be funded beyond the local revenues generated by this measure. The District's proposal for the project or projects described below may assume the receipt of matching state funds, which, if available, could be subject to appropriation by the Legislature or approval of a statewide bond measure.

BOND PROJECT LIST

Scope of Projects. Bond proceeds will be expended to modernize, replace, renovate, construct, acquire, equip, furnish, rebuild and otherwise improve educational and support facilities 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. The District may alter the scope and nature of any of the specific projects that are described below as required by conditions that arise over time.

DISTRICT-WIDE IMPROVEMENTS

Bond proceeds may be spent to improve any District facilities located at any campus, as needed for any of the following purposes, depending upon the age, condition and needs of each particular facility:

- Upgrade electrical, communication, computer, fire alarm, and similar building systems as well as main power service and distribution, which may include active and passive solar power and heating system acquisition, installation and construction
- Replace, repair or upgrade plumbing, piping and drainage systems, including water supply, meters, water heating, and wastewater systems, plumbing fixtures and sinks, etc., within buildings and sites and to connect with city supply and drainage systems
- Replace or modify aging heating, ventilation and air cooling systems with energy-efficient heating and air cooling systems (HVAC), including installing energy management systems (EMS)
- Replace, modify, upgrade interior and exterior lighting and safety and security lighting systems and fixtures, as necessary
- Repair, modify and construct structural elements of existing structures as necessary
- Replace or repair aging roofs
- Upgrade, modify and construct restroom facilities throughout the District
- Comply, as necessary, with the Americans with Disabilities Act (ADA)
- Construct and repair roadways, walkways, grounds, parking lots and make entrance improvements including signage for safety and public information

- Develop and implement the facilities master plans and related requirements such as environmental impact reports and soils testing
- Upgrade, modify building elements to improve safety and security
- Modernize and improve bookstores, food service facilities, child development centers, physical education spaces, and athletic fields
- Make infrastructure improvements throughout the district

To improve the overall educational experience for students in the District, renovation, modernization, upgrades and major repairs will take place at existing District college sites and facilities, including but not limited to the following projects at the following locations:

AMERICAN RIVER COLLEGE

- Construct and Modernize Classrooms and Student Service Facilities at American River College and Natomas Educational Center
- Construct a Facility for Advanced Manufacturing and Advanced Transportation
- Modernize and/or Replace Classrooms at the Science Building
- Modernize and/or Replace Classrooms at Davies Hall for Liberal Arts
- Modernize and/or Replace Classrooms at Environmental Resources Buildings
- Modernize and/or Replace Classrooms at Raef Hall
- Modernize and/or Replace Classrooms at Fine Arts Building
- Modernize and/or Replace Classrooms for Health Occupations
- Modernize and Improve the Student Services Facilities
- Modernize and Improve the Administration Building
- Provide new instructional space

COSUMNES RIVER COLLEGE

- Construct and Modernize Classrooms and Student Service Facilities at Cosumnes River College and Elk Grove Educational Center
- Modernize and/or Replace the Library
- Modernize and/or Replace Classrooms at the Business Science Building
- Modernize and/or Replace Classrooms at the Performing Arts Building
- Provide new instructional space

FOLSOM LAKE COLLEGE

- Construct and Modernize Additional Classrooms and Student Service Facilities at Folsom Lake College, Rancho Cordova Educational Center, and El Dorado Educational Center
- Construct a New Lecture Hall and Additional Classrooms
- Modernize and Improve Instructional and Lab Space for Science at El Dorado Educational Center
- Provide new instructional space

SACRAMENTO CITY COLLEGE

- Construct and Modernize Classrooms and Student Service Facilities at Sacramento City College, West Sacramento Educational Center, and Davis Educational Center
- Modernize and/or Replace Student Services Facilities and Classrooms at Rodda Hall South Building, including programs in Social Science, Math, and Support Services
- Modernize and/or Replace Student Services Facilities and Classrooms at Rodda Hall North Building, including programs in Health Occupations, Science, and Support Services
- Modernize and/or Replace Classrooms at the Business Building
- Modernize and/or Replace Classrooms in the Music Wing of the Performing Arts Complex
- Modernize and Improve the Learning Resources Center
- Modernize and Improve the Facilities for Student and Community Engagement
- Provide new instructional space

DISTRICT OFFICE COMPLEX

- Improve and/or Expand District Office Facilities
- Modernize and/or Replace District Office Facilities

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 educational 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; project construction oversight, management and administration during the duration of such projects, including by District personnel, and bond issuance costs.

Unforeseen conditions may arise during the course of planning, design and construction resulting in the scope and nature of any of the specific projects described above being altered by the District. In the event that the District determines that a modernization or renovation project is more economical for the District or otherwise in the District's best interests to be undertaken as new construction, this bond measure authorizes said new construction, including land acquisition, relocation, expansion and construction and/or reconstruction, and all costs relating thereto. 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 District facilities, or to provide additional educational or related facilities. Further, authorized projects include reimbursements for project costs previously paid 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. Finally, projects on this list may be undertaken and used as joint use projects with other public agencies.

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 funds generated by this bond measure. The District plans to pursue funds from the State of California, if available, to complete certain of the identified facilities projects. The District is unable to anticipate all unforeseen circumstances which may prevent some of the projects listed above from being undertaken or completed.

The order in which projects are listed in the foregoing Bond Project List does not suggest an order of priority. Project prioritization is vested in and will be determined by the District Board of Trustees.

TAX RATE STATEMENT PREPARED BY THE DISTRICT

An election will be held in the Los Rios Community College District (the "District") on March 3, 2020, to authorize the sale of up to \$650 million in bonds of the District to finance educational facilities as described in the bond measure. If such bonds are authorized and sold, principal and interest on the bonds will be payable only from the proceeds of *ad valorem* taxes levied upon 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 average annual tax rate which would be required to be levied to fund this bond issue over the entire duration of the bond debt service, based on a projection of assessed valuations available at the time of filing of this statement, is \$0.015 per \$100 of assessed valuation (or \$15.00 per \$100,000 of assessed value). The final fiscal year in which it is anticipated that the tax will be collected is 2042-43.
2. 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 \$0.023 per \$100 of assessed valuation (or \$23.00 per \$100,000 of assessed value). It is estimated that such rate would be levied starting in fiscal year 2038-39 and following.

3. 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 \$1.03 billion.

Voters should note that estimated tax rates are based on the assessed value (not market value) of taxable property on the County's official tax rolls. 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 has been prepared based upon projections and estimates only, which amounts, or durations are not maximum amounts and are not binding upon the District. The actual debt service, tax rates and the years in which they will apply may vary from those used to provide the estimates set forth above, due to factors such as variations in the timing of bond sales, the par amount of bonds sold and market interest rates available at the time of each sale, actual assessed valuations over the term of the bonds, and other factors. The date and amount of bonds sold at any given time will be determined by the District based on the need for project funds and other considerations. The actual interest rates at which the bonds will be sold will depend on conditions in 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. The growth or decline in assessed valuation is the result of a number of economic and other factors outside the control of the District.

By: Dr. Brian King, Chancellor
Los Rios Community College District