

RESOLUTION NO. 21-13-14

**RESOLUTION OF THE BOARD OF EDUCATION
OF ORANGE UNIFIED SCHOOL DISTRICT**

**ORDERING AN ELECTION AND ESTABLISHING
SPECIFICATIONS OF THE ELECTION ORDER**

WHEREAS, the Board of Education (the "Board") of the Orange Unified School District (the "District") is committed to maintaining the quality of education in each local public high school by upgrading classrooms, science labs and computer systems to keep pace with current technology; and

WHEREAS, the Board has determined that Canyon High School, El Modena High School, Orange High School and Villa Park High School need to be upgraded, repaired, improved and better equipped to enable the District to provide classrooms and labs for career and technology education classes so students are prepared for college and good paying jobs in fields like health sciences, engineering, technology and skilled trades and to improve classroom instruction in core subjects like math, science and technology; and

WHEREAS, the Board believes that since the District's high schools were built 40 to 60 years ago and have never been renovated, basic repairs to our schools are needed, including repairing or replacing leaky roofs, worn-out floors, old rusty plumbing, and faulty electrical systems; and

WHEREAS, the Board believes that since all of the money raised by a measure will stay in our local community to support our students, it is a wise investment to (i) continue to address facility improvements now before they become more pressing and more costly, and (ii) protect the quality of our schools, the quality of life in our community and the value of our homes; and

WHEREAS, the State of California (the "State") is unable to provide the District with enough money for the District to adequately maintain its educational facilities; and

WHEREAS, recent State budget cuts threaten the quality of local schools and the District's only remedy is securing local funding that the State cannot take away; and

WHEREAS, the District has prepared a facility assessment at each high school and aligned them to the District's educational goals; and

WHEREAS, the Board has received information regarding the possibility of local bond measure and its ability to significantly impact providing a 21st Century education; and

WHEREAS, such a measure will help provide funds that cannot be taken away by the State to upgrade aging schools to keep pace with changing technologies, protect student safety, and add classrooms, labs and school facilities to promote learning; and

WHEREAS, such a measure will include mandatory taxpayer protections, including an independent citizens' oversight committee and mandatory audits to ensure funds are spent properly; and

WHEREAS, the Board determines that the proceeds of such a measure must be allocated to the four high schools equally; and

WHEREAS, the Board determines that all the facilities financed with bonds of such a measure must have useful lives at least as long as the term of the Bonds; and

WHEREAS, the Board and District have solicited extensive stakeholder and community input on school priorities from parents, teachers, staff, the community and civic leaders; and

WHEREAS, Proposition 46, approved by the voters of the State on June 3, 1986 (“Proposition 46”), amended Section 1(b) of Article XIII A of the California Constitution by adding a provision that exempts from the 1% of full cash value limitation, those *ad valorem* taxes used to pay for debt service on any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by voters voting on the proposition; and

WHEREAS, on November 7, 2000, the voters of California approved the Smaller Classes, Safer Schools and Financial Accountability Act (“Proposition 39”) which reduced the voter threshold for *ad valorem* tax levies used to pay for debt service on bonded indebtedness to 55% of the votes cast on a school district general obligation bond; and

WHEREAS, concurrent with the passage of Proposition 39, Chapter 1.5, Part 10, Division 1, Title 1 (commencing with Section 15264) of the Education Code (the “Act”) became operative and established requirements associated with the implementation of Proposition 39; and

WHEREAS, the Board desires to make certain findings herein to be applicable to this election order and to establish certain performance audits, standards of financial accountability and citizen oversight that are contained in Proposition 39 and the Act; and

WHEREAS, the Board desires to authorize the submission of a proposition to the District’s voters at an election to authorize the issuance of bonds to pay for certain necessary capital improvements and enhancements to District educational facilities; and

WHEREAS, the Board hereby determines that, in accordance with Opinion No. 04-110 of the Attorney General of the State of California, the restrictions in Proposition 39 which prohibit any bond money from being wasted or used for inappropriate administrative salaries or other operating expenses of the District shall be enforced strictly by the District’s Citizens’ Oversight Committee; and

WHEREAS, pursuant to Education Code Section 15270, based upon a projection of assessed property valuation, the Board has determined that, if approved by voters, the tax rate levied to meet the debt service requirements of the bonds proposed to be issued will not exceed the Proposition 39 limits per year per \$100,000 of assessed valuation of taxable property; and

WHEREAS, Section 9400 *et seq.* of the Elections Code of the State of California (the “Elections Code”) requires that a tax rate statement be contained in all official materials relating to the election, including any ballot pamphlet prepared, sponsored, or distributed by the District; and

WHEREAS, the Board desires to authorize the filing of a ballot argument in favor of the proposition to be submitted to the voters at the election; and

WHEREAS, pursuant to the California Elections Code, it is appropriate for the Board to request consolidation of the election with any and all other elections to be held on Tuesday,

November 4, 2014, and to request the Orange County Registrar of Voters to perform certain election services for the District;

NOW THEREFORE, THE BOARD OF EDUCATION OF THE ORANGE UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the Board, pursuant to Education Code Sections 15100 *et seq.*, 15264 *et seq.*, and Government Code Section 53506, hereby requests the Orange County Registrar of Voters to conduct an election under the provisions of Proposition 39 and the Act and submit to the electors of the District the question of whether bonds of the District in the aggregate principal amount of \$296 million (the "Bonds") shall be issued and sold for the purpose of raising money for the projects described in Exhibits "A" and "B" hereto. Both exhibits are directed to be printed in the voter pamphlet.

Section 2. That the date of the election shall be November 4, 2014.

Section 3. That the purpose of the election shall be for the voters in the District to vote on a proposition, a copy of which is attached hereto and marked Exhibit "A," incorporated by reference herein, and containing the question of whether the District shall issue the Bonds to pay for improvements to the extent permitted by such proposition. In compliance with Proposition 39 and the Act, the ballot propositions in Exhibits "A" and "B" are subject to the following requirements and determinations:

(a) that the proceeds of the sale of the Bonds shall be used only for the purposes set forth in the ballot measure and not for any other purpose, including teacher or administrator salaries or other school operating expenses;

(b) that the Board, in establishing the projects set forth in Exhibit "B," evaluated student safety, class size reduction, and the educational and information technology needs of the District as well as the importance of the projects to student achievement and high quality instruction;

(c) that the Board shall cause an annual, independent performance audit to be conducted to ensure that the Bond monies get spent only for the projects identified in Exhibit "B" hereto;

(d) that the Board shall cause an annual, independent financial audit of the proceeds from the sale of Bonds to be conducted until all of the Bond proceeds have been expended;

(e) that the Board shall appoint a Citizens' Oversight Committee in compliance with Education Code Section 15278 no later than 60 days after the Board enters the election results in its minutes pursuant to Education Code Section 15274;

(f) that the tax levy authorized to secure the Bonds of this election shall not exceed the Proposition 39 limits per \$100,000 of taxable property in the District when assessed valuation is projected by the District to increase in accordance with Article XIII A of the California Constitution;

(g) that the Board does not plan to build and maintain its bond-financed facilities under a Project Labor Agreement;

(h) that the Board will not use bond proceeds for maintenance of school facilities but rather pay those costs from operating revenues; and

(i) that for as long as bonds are outstanding, the Board annually will deposit 1% of the prior fiscal year's General Fund revenues into a facility maintenance account.

Section 4. That the authority for ordering the election is contained in Education Code Sections 15100 *et seq.*, 15264 *et seq.*, and Government Code Section 53506.

Section 5. That the authority for the specifications of this election order is contained in Sections 5322 of the Education Code.

Section 6. That the Orange County Registrar of Voters and the Orange County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 4, 2014 within the District.

Section 7. That the Secretary of the Board is hereby directed to deliver a certified copy of this Resolution to the Orange County Registrar of Voters no later than August 8, 2014.

Section 8. That any Bonds issued pursuant to Section 15264 *et seq.* of the Education Code hereto shall have a maturity not exceeding twenty-five (25) years, and Bonds issued pursuant to Section 53506 of the Government Code shall have a maturity not exceeding forty (40) years. The maximum rate of interest on any Bond shall not exceed the maximum rate allowed by Education Code Sections 15140 to 15143, as modified by Government Code Section 53531.

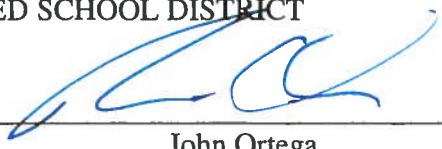
Section 9. That the Board requests the governing body of any such other political subdivision, or any officer otherwise authorized by law, to partially or completely consolidate such election and to further provide that the canvass of the returns of the election be made by anybody or official authorized by law to canvass such returns, and that the Board consents to such consolidation.

Section 10. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of Orange County is requested to permit the Registrar of Voters to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse Orange County, such services to include the publication of a Formal Notice of School Bond Election and the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code) pursuant to the terms of Section 5363 of the Education Code and Section 12112 of the Elections Code.

ADOPTED, SIGNED AND APPROVED this 30th day of June, 2014.

BOARD OF EDUCATION OF THE ORANGE
UNIFIED SCHOOL DISTRICT

By _____


John Ortega
President

Attest:



Mark D. Wayland
Clerk

STATE OF CALIFORNIA)
)ss
ORANGE COUNTY)

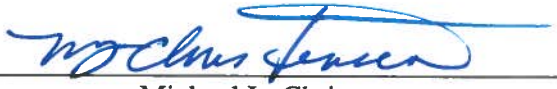
I, Michael L. Christensen, do hereby certify that the foregoing is a true and correct copy of Resolution No. 21-13-14, which was duly adopted by the Board of Education of the Orange Unified School District at the meeting thereof held on the 30th day of June, 2014, and that it was so adopted by the following vote:

AYES: Ledesma, Moffat, Ortega, Singer, Surridge, Wayland

NOES: Deligianni-Brydges

ABSENT: n/a

ABSTENTIONS: n/a

By  _____
Michael L. Christensen
Secretary