

BEFORE THE GOVERNING BOARD
OF THE
SIERRA UNIFIED SCHOOL DISTRICT
FRESNO COUNTY, CALIFORNIA

RESOLUTION NO. 10-11/12

RESOLUTION ORDERING AN ELECTION TO AUTHORIZE THE ISSUANCE OF SCHOOL BONDS, ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER, AND REQUESTING CONSOLIDATION WITH ANY OTHER ELECTIONS OCCURRING ON JUNE 5, 2012

WHEREAS, in the judgment of the Board of Trustees (the "Board") of the Sierra Unified School District (the "District"), it is advisable to call an election to submit to the electors of the District the question of whether the bonds of the District shall be issued and sold for the purpose of raising money to retire debt on the Foothill School facilities construction; and

WHEREAS, for 2011-12, State funding is twenty percent (20%) below minimum funding levels under the Proposition 98 guarantee, a reduction of \$2,500,000 for the 2011-2012 school year for the District; and

WHEREAS, unstable funding for the District from the State and other sources will be inadequate over the next several years to provide the level of support to District-wide educational programs that the residents of the District demand; and

WHEREAS, since 2008, the District has been forced to implement many measures to reduce expenses well beyond those warranted by the decline in student enrollment which have jeopardized the quality of educational opportunities for students, including closing two elementary schools and moving the junior high students to the high school campus, closing the District administrative office, eliminating teaching positions resulting in increased class sizes, instituting furloughs, making significant reductions to administration costs and expenses, elimination and consolidation of management positions, eliminating late bus runs, discontinuing educational programs such as summer school, and athletic programs; and

WHEREAS, these cuts amount to \$5,871,032 over the last five years, \$1,780,684 due to declining enrollment; an additional \$4,090,348 due to reduction in State funding; and

WHEREAS, the State's proposed budget requires the District to cut an additional \$1,700,000 in the 2012-2013 school year; and

WHEREAS, the District is carrying \$5,200,000 in debt on the Foothill School construction, which is serviced by the District's general fund at a rate of \$1,100,000 per year; and

WHEREAS, the strain on the District's general fund caused by the Foothill School construction debt affects educational programs District-wide; and has a significant negative impact on Sierra High School programs; and

WHEREAS, with a local school bond, the District can pay off the Foothill School construction debt, and return \$1,100,000 annually to the District's general fund to support programs currently in jeopardy and preserve the breadth and quality of our educational programs; and

WHEREAS, as a result of the approval of Proposition 39 on November 7, 2000, Article XIII A, Section 1, paragraph (b) of the California Constitution ("Article XIII A") provides an exception to the limit on *ad valorem* property taxes on real property for bonded indebtedness incurred by a school district that has been approved by fifty-five percent (55%) of the voters of the District voting on the proposition; and

WHEREAS, pursuant to California Education Code section 15264 *et seq.* (the "Act"), this Board is specifically authorized, upon approval by two-thirds (2/3) of the Board, to submit to the electorate of the District the question of whether bonds of the District shall be issued and sold for specified purposes, upon a fifty-five percent (55%) vote of the electorate in favor on the question, pursuant to paragraph (3) of said subdivision (b) of Section 1 of Article XIII A and subdivision (b) of Section 18 of Article XVI of the California Constitution; and

WHEREAS, pursuant to California Election Code section 10403 *et seq.*, it is appropriate for the Board to request consolidation of the election with any and all other elections to be held on Tuesday, June 5, 2012, and to request the election officials of Fresno County (the "County") to perform certain election services for the District.

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE SIERRA UNIFIED SCHOOL DISTRICT HEREBY RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS:

1. **Call for Election.** The Board hereby orders an election and submits to the electors of the District the question of whether general obligation bonds of the District shall be issued and sold in the principal amount not to exceed \$5,400,000 for the purpose of raising money to retire debt on the Foothill School facilities construction, and paying elections and other costs incident thereto, as set forth more fully in a ballot proposition approved pursuant to Section 3 below. This Resolution constitutes the order of the District to call such election.
2. **Election Date.** The date of the election shall be June 5, 2012, and the election shall be held solely within the boundaries of the District.
3. **Purpose of Election; Ballot Proposition.** The purpose of the election shall be for the voters of the District to vote on a proposition, a full copy of which is attached hereto as *Exhibit A*, containing the question of whether the District shall issue the Bonds for the purposes stated therein, together with the accountability requirements of Article XIII A and the requirements of Section 15272 of the Act. As required by California Elections Code section 13247, the abbreviated form of

the proposition to appear on the ballot is attached hereto as **Exhibit B**. The District's Superintendent (or her designee) is hereby authorized and directed to make any changes to the text of the proposition, its abbreviated form, or this Resolution as required to comply with the intent of this Resolution, the requirements of elections officials, and requirements of law.

4. **Authority for Election.** The authority for ordering the election is contained in California Education Code section 15264 *et seq.* and Article XIII A, Section 1, paragraph (b), subsection (3) of the California Constitution. The authority for the specification of this election order is contained in California Education Code section 5322.

5. **School Facilities Projects.** A list of the specific school facilities projects and uses to be funded from the proceeds of the bonds is set forth in **Exhibit A**. As required by Article XIII A, the Board hereby certifies that it has evaluated safety, class-size reduction, and information technology needs of the District in developing the list of school facilities projects and uses set forth in **Exhibit A**.

6. **Covenants of the Board upon Approval of the Bonds by the Electorate.** As required by Article XIII A and Section 15272 of the Act, if fifty-five percent (55%) of the voters of the District voting on the measure approve of the bonds, the Board shall:

(a) Use the bond proceeds only for the purposes authorized under Article XIII A, which authorized purposes include the retirement of debt on existing facilities and school sites, as specifically set forth in **Exhibit A**, and costs incident thereto, including the costs of the election, and not for any other purpose, including salaries and other routine school operating expenses;

(b) Conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the projects and uses listed in **Exhibit A**;

(c) Conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for school facilities projects and uses listed in **Exhibit A**; and

(d) Establish and appoint members to an independent citizens' oversight committee in accordance with sections 15278, 15280, and 15282 of the Act.

7. **Delivery of this Resolution.** The Clerk of this Board is hereby authorized and directed to send or hand deliver a copy of this Resolution to the Fresno County Superintendent of Schools and the Fresno County Registrar of Voters by no later than March 9, 2012.

8. **Declaration of Official Intent.** The District hereby declares its official intent, subject to the further approval of this Board, to use up to the maximum amount permitted by law of the proceeds of the proposed bonds to reimburse itself for payments it has made for any eligible costs of the projects and uses listed in **Exhibit A**. It is intended that this Resolution shall, among other things, constitute a declaration of "official intent" within the meaning of Section 1.150-2 of the

Treasury Regulations promulgated under Section 150 of the Internal Revenue Code of 1986, as amended.

9. **Ballot Arguments; Tax Rate Statement.** Any and all members of this Board are hereby authorized to act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument. The Superintendent, President of the Board, or their designees, is hereby authorized to execute any Tax Rate Statement or other document and to perform all acts necessary to place the bond measure on the ballot.

10. **Consolidation of Election; Election Services.** The Fresno County Registrar of Voters and the Fresno County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on June 5, 2012 within the District. Pursuant to section 5303 of the Education Code and section 10002 of the Elections Code, the County Board of Supervisors is requested to permit the County Registrar of Voters, and other appropriate officials of the County, to render all services necessary in connection with the bond election including, but not limited to, publication of a Formal Notice of School Bond Election pursuant to Education Code 5363 and related law (the proposed form of which is attached hereto as *Exhibit C*), the mailing of the sample ballot and tax rate statement (described in section 9401 of the Elections Code), the opportunity to submit ballot arguments in connection with the bond election, the canvassing and certification of the returns of the election, and other ballot requirements pursuant to Education Code section 15123, for which services the District agrees to reimburse the County as required by law.

11. **Severability.** If any section, subsection, phrase or clause of this Resolution, or its application to any person or circumstance, is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Resolution, or their application to any other person or circumstance. The Board declares that it would have adopted this Resolution and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, sentences, phrases or clauses, or their application to any person or circumstance, shall be declared invalid.

12. **Effective Date.** This Resolution shall take effect immediately upon its adoption.

* * * * *

PASSED AND ADOPTED on _____, 2012, by the following vote:

AYES: _____

NOES: _____

ABSTENTIONS: _____

ABSENT:

President, Board of Trustees of the
Sierra Unified School District

CERTIFIED TO BE A TRUE AND CORRECT COPY:

Clerk of the Board of Trustees of the
Sierra Unified School District

EXHIBIT A

FULL TEXT OF BOND MEASURE for SIERRA UNIFIED SCHOOL DISTRICT

INTRODUCTION

The Sierra Unified School District serves a population of approximately 1,500 students in one comprehensive high school, one junior high school, one elementary school, one small necessary school, two community day schools, one alternative education center, and one adult school. The District's mission is "to graduate all students to become contributing citizens with the knowledge, self-discipline, and ability to act responsibly," and "to provide graduates with the foundation to earn a living and to be life-long learners by providing rigorous academic and quality career-technical education programs." Each of the District's comprehensive schools is recognized as a California Distinguished School. In furtherance of the District's mission, the District understands that it must provide safe schools to ensure our students have the educational opportunities they deserve.

In 1993, the District borrowed \$17,110,000 to construct the Foothill School. In 2003, the District refinanced \$11,835,000 of the then-remaining debt. This debt is paid back out of the District's general fund, at a rate of \$1,100,000 per year. Currently, \$5,200,000 is left on that debt. The strain on the District's general fund caused by the Foothill School construction debt affects educational programs District-wide, and has a disproportionate negative impact on Sierra High School programs. With a local school bond, the District can pay off the Foothill School construction debt, and return \$1,100,000 annually to the District's general fund to support programs currently in jeopardy and preserve the breadth and quality of our educational programs.

The national and State economic crises have severely impacted our local schools. Unstable funding for the District from the State and other sources have been and will continue to prove inadequate to provide the level of support to the District's educational programs that the residents of the District demand. For 2011-12, State funding is twenty percent (20%) below minimum funding levels under the Proposition 98 guarantee, a reduction of \$2,500,000 for the 2011-2012 school year for the District.

During this economic crisis, the District has been forced to implement many measures to reduce expenses well beyond what has been necessary to reflect the decline in student enrollment alone, including significant reductions to administration costs and expenses including elimination and consolidation of management positions, elimination of teaching positions, and instituting furloughs, and closing the District administrative office and two elementary schools and moving junior high students to the high school campus, and eliminating late bus

runs, and even discontinuing educational programs such as summer school and athletic programs. In all, the District made reductions of \$1,780,684 over the past five years due to declining enrollment, and cut an additional \$4,090,348 due to reductions in State funding, as detailed in Table 1, below. And still, the projected budget for the next two years assumes the need for an additional \$3,000,000 in cuts.

Table 1: Reductions Made 2008-2011

Programs	Teachers	Support	Management
Summer School	28.5 Teachers	4 Classroom Aides	1 Elementary Principal
Late Bus Runs	Science Specialist	3 Special Ed Aides	1 Junior High Principal
HS Boys Golf	Elementary Music Teacher	HS Campus Aide	2 High School Counselors
HS Girls Golf	2 Library Media Teachers	3 Health Office Aides	2 School Psychologists
HS Wrestling	Reading Specialist	3 Library Techs	1 Middle School Counselor
HS Badminton	3 Furlough Days in 2010, 2011, and 2012	2 School Secretaries	Combined Superintendent/ HS Principal/ JH Principal
HS Boys Water Polo		3 Part time Clerk Typists	
HS Girls Water Polo		District Office Receptionist	Director of Ed Services
Non-league Travel	Facilities	Superintendent's Secretary	Director of Food Services
8 Coaching Positions	Closed District Office	SARB Board Representative	Cafeteria Manager
Instructional Supplies	Closed Auberry Elementary	District Account Clerk	Maintenance Supervisor
	Closed Sierra Elementary	Computer Specialist	Board of Trustees Health Benefits
	Closed Fitness Center to Public	3 Custodians	
	Moved middle school students to high school campus – sharing facilities	1 Bus Driver/Custodian	3 Furlough days in 2010, 2011, and 2012
		1 Bus Driver/Utility 1 Relief Bus Driver 3 Furlough days in 2010, 2011, 2011	
	Closed two elementary schools and moved elementary school students to middle school campus		

With a local school bond, the District can retire the Foothill School construction debt. In addition, the current favorable interest rate environment makes it likely that the bond debt will be substantially lower than the interest currently being paid on the Foothill School construction debt. Essentially, with a local school bond the District can stop the strangling of its general fund, and free up those moneys to be used for educational programs, and the teachers and support that bring those programs to our students.

It is imperative that we eliminate the impact of the Foothill School construction debt on the District's general fund. We cannot rely on the State to preserve the breadth and quality of our educational programs. In fact, the best information available predicts further reductions in State support for our local schools with renewed threats to eliminate resources essential to the education of our students. We must exercise local control to survive the current economic uncertainty and ensure that our students have the educational opportunities they deserve.

BONDS

To retire debt on the Foothill School construction, shall the Sierra Unified School District issue a maximum of \$5,400,000 in bonds, with a maximum ten-year term, and interest rates within legal limits, with an independent citizens' oversight committee, annual audits, and no money for salaries or other routine school operating expenses with all money raised benefiting local students?

SCHOOL FACILITIES PROJECTS TO BE FUNDED FROM BOND PROCEEDS

As required by the California Constitution, the proceeds from the sale of the bonds will be used only for the purposes authorized under Article XIII A of the California Constitution, which include the retirement of debt on existing facilities and school sites. Specifically, the project the District proposes to finance with proceeds of the bonds is the retirement of construction debt on existing facilities at Foothill School ("Project"), and costs incident thereto, including the costs of the election, and not for any other purpose, including salaries and other routine school operating expenses.

The Board of Trustees hereby certifies that it has evaluated the safety, class-size reduction, and information technology needs of the District in developing this list of school facilities projects.

ACCOUNTABILITY MEASURES

If the bonds are approved, the Board of Trustees will implement the following accountability measures in accordance with State law:

- (a) Use the bond proceeds only for the purposes authorized under Article XIII A of the California Constitution, including construction, reconstruction, rehabilitation, or replacement of school facilities, furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities and related uses, as specifically set forth in this Exhibit A, and costs incident thereto, including the costs of the election, and not for any other purpose, including salaries and other routine school operating expenses;
- (b) Conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the projects and uses listed in this Exhibit A;
- (c) Conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for school facilities projects and uses listed in this Exhibit A; and

- (d) Establish and appoint members to an independent citizens' oversight committee to ensure the bonds are used only for the projects and uses listed in this Exhibit A.

EXHIBIT B

**BOND MEASURE
for
SIERRA UNIFIED SCHOOL DISTRICT**

(Abbreviated Form)*

<p>“To retire debt on the Foothill School construction, shall the Sierra Unified School District issue a maximum of \$5,400,000 in bonds, with a maximum ten-year term, and interest rates within legal limits, with an independent citizens’ oversight committee, annual audits, and no money for salaries or other routine school operating expenses with all money raised benefiting local students?”</p>	<p>BONDS – YES</p>
	<p>BONDS – NO</p>

* Limited to 75 words pursuant to California Elections Code section 13247.

EXHIBIT C

FORMAL NOTICE OF SCHOOL BOND ELECTION

NOTICE IS HEREBY GIVEN to the qualified electors of the Sierra Unified School District of Fresno County, California, that in accordance with the provisions of the Education Code of the State of California, an election will be held on June 5, 2012, within the District, at which election the following measure shall be submitted to the qualified electors of the District and voted upon:

“To retire debt on the Foothill School construction, shall the Sierra Unified School District issue a maximum of \$5,400,000 in bonds, with a maximum ten-year term, and interest rates within legal limits, with an independent citizens’ oversight committee, annual audits, and no money for salaries or other routine school operating expenses with all money raised benefiting local students?

Bonds - Yes

Bonds– No

The bonds shall bear interest at an annual rate not exceeding the statutory maximum. The maturity of the bonds shall not exceed ten years, which is the maximum term allowed by law at the time of issuance (currently 25 years if issued under Education Code section 15140, or 40 years if issued under Government Code section 53508).

All of the purposes enumerated in the foregoing measure shall be united and voted upon as one single measure, with precincts, places of holding the elections and officers appointed to conduct the elections to be the same as those provided for the statewide presidential general election to be held on June 5, 2012 under the Notice of Election published _____.

This election has been called pursuant to a Resolution of the Board of Trustees of the Sierra Unified School District, adopted on _____, 2012. The Elections Official of the County of Fresno hereby gives formal notice of the election in accordance with the provisions of Education Code Section 15120.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2012.

Registrar of Voters
Fresno County, California