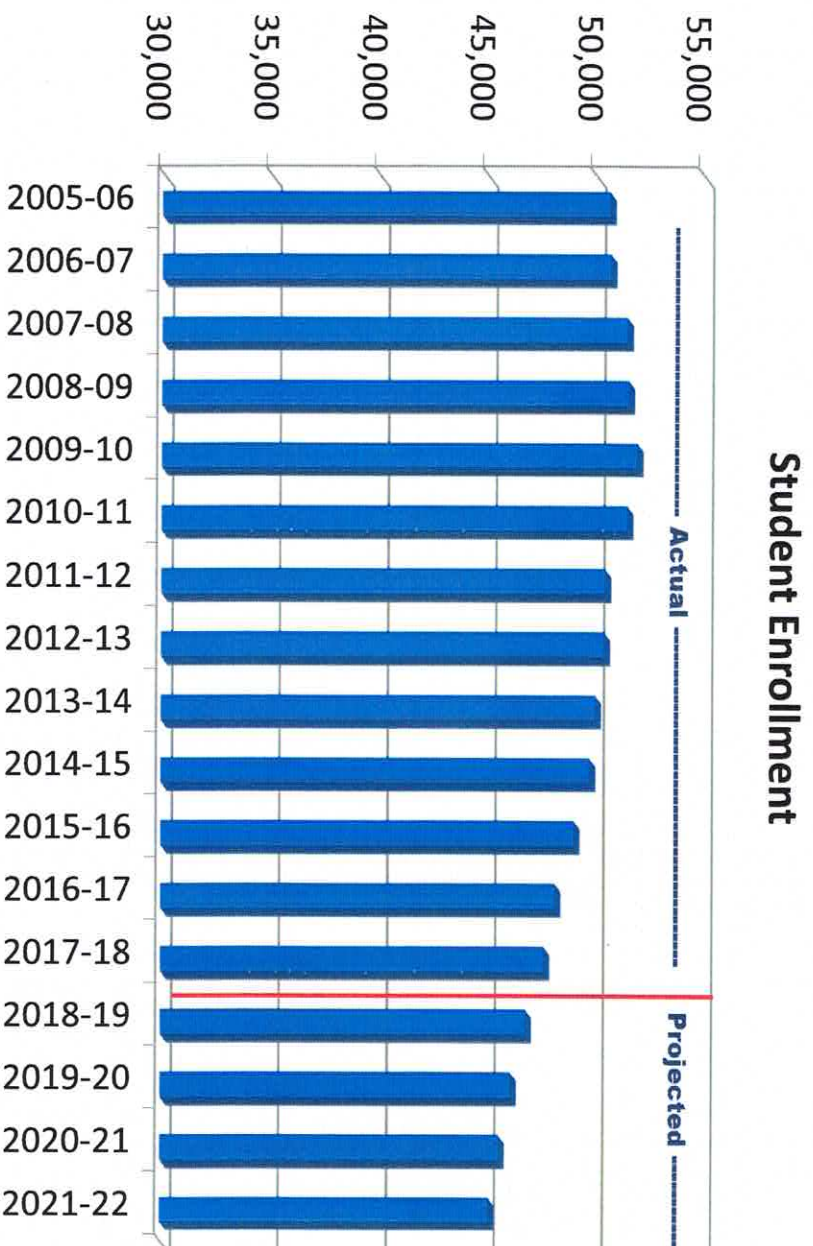


Enrollment Trend Challenges



- Growing districts like Irvine Unified are in a better position than declining districts like CUSD.
- Declining districts lose funding faster than cuts can be made.
- Growing districts receive funding sooner than needed.

EXHIBIT “B”

SAMPLE BALLOT

A

OFFICIAL BALLOT

GENERAL DISTRICT ELECTION

COUNTY OF ORANGE

November 2, 1999

This ballot stub shall be removed
and retained by the voter.

MEASURE SUBMITTED TO THE VOTERS

CAPISTRANO UNIFIED SCHOOL DISTRICT

A Neighborhood School Overcrowding, Safety/Repair Measure. To relieve overcrowding, improve student safety, and repair neighborhood schools by: •repairing schools/sites/classrooms; •acquiring sites/building school facilities; •earthquake retrofitting; •asbestos removal; •renovating science laboratories, libraries; •wiring for technology; •qualifying for state matching funds; •repairing leaking roofs, plumbing/electrical systems; •upgrading school safety/fire security; shall Capistrano Unified School District issue \$65,000,000 in bonds at legal rates, with money only for school buildings/grounds and no money for administrators' salaries?

Bonds	Yes	+
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Bonds	No	+
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30-A103

A



IMPARTIAL ANALYSIS BY COUNTY COUNSEL

MEASURE A

CAPISTRANO UNIFIED SCHOOL DISTRICT

The California Constitution prohibits public entities, including school districts, from incurring any indebtedness which exceeds in any year the income and revenue provided for that year, without the assent of two-thirds of the qualified electors of the entity, voting at an election for that purpose. The Constitution further provides that no special taxes may be imposed by a district except by a two-thirds vote of the qualified electors of the district voting at an election held for that purpose. The Capistrano Unified School District has proposed to the voters that general obligation bonds of the District be issued in a sum not exceeding \$65,000,000 and that ad valorem taxes be levied upon property in the District to repay the bonded indebtedness.

The proceeds from the sale of the bonds will be used to improve school facilities within School Facilities Improvement District No. 1. The Capistrano Unified School District and the Orange County Superintendent of Schools have called the election for the purpose of submitting the measure to the voters within the School District for adoption. If a two-thirds majority voting on the measure approve it, the School District may proceed to sell the bonds and levy the related taxes as set forth in the Tax Rate Statement.

TAX RATE STATEMENT MEASURE A

An election will be held in the School Facilities Improvement District No. 1 ("SFID No. 1") of the Capistrano Unified School District (the "District") of Orange County on November 2, 1999, for the purpose of authorizing the sale of \$65,000,000 in general obligation bonds. The bonds would be payable from tax levies made upon the taxable property in SFID No. 1.

In compliance with Elections Code Sections 9400-9404 the following information is submitted:

1. The best estimate of the tax rate which would be required to be levied on property in SFID No. 1 to fund the bond issue during the first fiscal year after the first sale of bonds, based on estimated assessed valuations available at the time of filing this statement, is \$0.0035 per 100 dollars assessed valuation for the year 2000-01.
2. The best estimate of the tax rate which would be required to be levied on property in SFID No. 1 to fund the bond issue during the first fiscal year after the last sale of the bonds and an estimate of the year in which the rate will apply, based on estimated assessed valuations available at the time of filing this statement, is \$0.0146 per 100 dollars assessed valuation for the year 2004-05.
3. The best estimate of the highest tax rate which would be required to be levied on property in SFID No. 1 to fund the bond issue and an estimate of the year in which that rate will apply, based on estimated assessed valuations available at the time of filing of this statement, is \$0.0166 per 100 dollars assessed valuation for the year 2005-06.

The actual tax rates and the years in which such rates are applicable may vary from those currently estimated, due to variations from the official projections and estimates in the timing of bond sales, the amount of bonds sold at any time, the interest rates on the bonds, and the assessed values in the several future years during which the bonds are to be repaid. The estimates are based upon projections and are not binding upon the District. The actual timing of the bond sales and the amount of the bonds sold at any time will be governed by the needs of the District and the then-applicable debt limit. The actual interest rates on the bonds will be based on the market tax-exempt interest rates at the time of the sale of the bonds. The actual assessed values during the several future years will depend upon the amount of taxable property within SFID No. 1 and the value of that property as determined in the assessment and equalization process.

Dated: August 4, 1999

s/Dr. James A. Fleming
Superintendent
School Facilities Improvement District No. 1
Capistrano Unified School District

ARGUMENT IN FAVOR OF MEASURE A

NEIGHBORHOOD SCHOOL OVERCROWDING/REPAIR MEASURE

Neighborhood schools are severely overcrowded. This is one of the fastest growing areas in the state. We are literally running out of room for students. Some schools are using libraries, cafeterias and storage areas as classrooms. At others, there are so many portable classrooms, we're out of room. **Measure A will build new classrooms and schools to alleviate overcrowding at every neighborhood school.**

Older schools are deteriorating, run down and in desperate need of repair. We have many schools that are 30 or 40 years old. Roofs leak. Sewage pipes have burst. Electrical systems, heating and plumbing need to be replaced. Wood is rotting. Foundations are cracked. Tiles are falling. **Measure A makes urgently needed repairs at every aging neighborhood school.**

Strict Taxpayer Safeguards guarantee Measure A money will be spent efficiently and without waste.

- An Annual Independent Audit will be published in local newspapers and posted on the internet.
- All expenditures are clearly spelled out.
- A Reserve Fund will help prevent future deterioration.
- By law, **NO** money will be spent for administrators' salaries.

Recent tragedies underscore the need for safer schools. Measure A will install:

- New fire/security alarms;
- New intercoms for better emergency communications;
- New fire doors, sprinklers and earthquake retrofitting.

Measure A makes Economic Sense.

- Measure A means local schools receive **\$101 million in state matching funds.**
- **If we don't make needed repairs today, the problem will get worse** and end up costing more money.
- First class schools **preserve property values, improve the local economy, reduce crime, and maintain our Quality of Life.**

ENDORSED BY:

Mayors Ruby Netzley (Dana Point), Mark Goodman (Laguna Niguel), Sherri Butterfield (Mission Viejo), Lois Berg (San Clemente) and John Greiner (San Juan Capistrano) Local Police/Fire Fighters *Clergy* Rep. Ron Packard*Supervisor Tom Wilson

YES on Measure A.

s/LINDA KRIEGER, President, Council of PTAs
s/JAN BARRETT, Teacher of the Year
s/JAMES HOLBERT, President, San Clemente Chamber of Commerce
s/REX TYNER, Senior Advocate
s/BRAD GATES, Orange County Sheriff (retired)

No argument against this measure was submitted.

