

COMPARISON OF PROPOSITION 39 AND CURRENT LAW
SCHOOL DISTRICT GENERAL OBLIGATION BONDS

<u>Characteristic</u>	<u>Current Law</u> <u>66.7% Affirmative Vote</u>	<u>Proposition 39</u> <u>55% Affirmative Vote</u>
Minimum affirmative votes	Two-thirds of votes cast.	55% of votes cast.
Facilities eligible to be financed with bonds	Purchase or improvement of real property (purchase of land, construction of buildings, and acquisition or construction of permanent improvements to land or buildings).	Construction, reconstruction, rehabilitation, or replacement of school facilities, including furnishings and equipment, and the acquisition or lease of real property.
Can school furnishings and equipment be financed with bonds?	No.	Yes.
Election dates	<p>Any Tuesday, or on the following dates:</p> <ul style="list-style-type: none"> ✓ First Tuesday in March even-numbered years); ✓ First Tuesday after first Monday in March (in odd-numbered years); ✓ Second Tuesday in April (in even-numbered years); ✓ First Tuesday after first 	<p>Coincide with regularly scheduled local election (for candidate (in elections to school board, city council, or other public office), or on the following dates:</p> <ul style="list-style-type: none"> ✓ First Tuesday in March, only in even-numbered years; ✓ First Tuesday after first Monday in November, only in even-numbered years.

Monday in June (in odd numbered years);

✓ First Tuesday after first Monday in November.

Maximum annual tax per bond election

Not limited. Annual tax is determined by relationship between annual bond payment and assessed value of taxable property in the school district.

- ✓ \$30 per \$100,000 of assessed valuation in elementary or high school district;
- ✓ \$60 per \$ 100,000 of assessed valuation in unified school district;
- ✓ \$25 per \$100,000 of assessed valuation in community college district.

Issue bonds of a School Facilities Improvement District (SFID) created for a portion of school district

Yes.

No. Implementing legislation for Proposition 39 provided no authority for issuing bonds of SFIDs.

Accountability Requirements

None required. Could be established at the discretion of the school district. Current law requires that bond proceeds be spent only on authorized real property improvements, and that the ballot measure identify the use of bond

- ✓ List of the specific projects to be funded from bonds;
- ✓ Confirmation that the bond proceeds are used only for purposes permitted by law, and not for teacher and administrator salaries and other proceeds. school operating expenses;

✓ An annual performance audit to ensure that funds have been spent only on the specified list of projects;

✓ An annual financial audit of the bond proceeds until all proceeds have been spent.

Citizens' Oversight Committee

None required. Could be established at the discretion of the school district.

✓ Independent committee established at the discretion of the appointed by governing board school district. within 60 days of confirmation of election results;

✓ Purpose of committee is to review and report on the expenditure of bond proceeds and to advise public on the district's compliance with accountability requirements;

✓ School district must provide technical and administrative assistance to committee;

✓ Comprised of at least seven members, representing business community, seniors, taxpayers, parents, and PTA;

✓ No committee membership for school employees or officials, or vendors, contractors, or consultants to school district;

✓ Public meetings subject to the Brown Act.

