

## **Impartial Analysis of Measure V**

Bonds are financial instruments used to borrow money. Under the California Constitution, school districts may issue bonds if approved by at least 55 percent of voters within the boundaries of the district who are voting on a measure to authorize the issuance of bonds. The bonds are sold to the public and constitute a debt of the district. The principal and interest on the bonds are repaid by an annual property tax levy on all real property within the jurisdiction of the school district, calculated on the current assessed value of each property (“an *ad valorem* tax”).

The Board of Trustees of the Monterey Peninsula Community College District (hereafter “the District”) has placed Measure V on the ballot, proposing the sale of bonds in an amount not to exceed \$230 million. The District’s Tax Rate Statement, included in the voter information guide mailed to voters of the District, reflects an estimate of the maximum property tax levies required to pay the debt service on the bonds.

In accordance with the law, proceeds from the sale of the bonds (i.e., funds generated by the bonds) may only be used for the specific purposes identified in the measure including but not limited to: repair roofs, plumbing and electrical systems; remove asbestos and lead pipes; bring technology up-to-date; and, improve access for students with disabilities, all as more specifically described in the bond project list. The law prohibits the use of bond proceeds to pay for teacher and administrator salaries or other operational expenses. Approval of the measure does not guarantee that all of the proposed projects to be improved with bond proceeds will be funded beyond the local revenues generated by the measure.

As required by law, the District must follow certain accountability provisions to oversee the funds collected and expended, including the establishment of an independent Citizens’ Oversight Committee, the annual completion of Performance and Financial Audits, and an annual report detailing proceeds received by the sale of the bonds and expenditures made, all requirements of which are reflected in the full text of measure.

The District’s Tax Rate Statement provides the District’s best estimate of the highest tax rate to be levied at approximately \$18 per \$100,000 of assessed property value per year. The final fiscal year in which the tax is anticipated to be collected is 2056.

A “yes” vote on this measure is a vote in favor of the issuance of \$230 million in general obligation bonds to be used for the purposes set forth in Measure V.

A “No” vote on this measure is a vote against the issuance of \$230 million in general obligation bonds for the purposes set forth in Measure V.

Dated: August 12, 2020

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