

Proposition A

This Measure may be known and referred to as the “San Francisco Unified School District School Improvement Bond” or as “Measure A”.

BOND AUTHORIZATION

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the San Francisco Unified School District (the “District”) shall be authorized to issue and sell bonds of up to \$790 million in aggregate principal amount to provide financing for the specific school facilities projects listed under the heading entitled “BOND PROJECT LIST” below (the “Bond Project List”), subject to all of the accountability safeguards specified below.

ACCOUNTABILITY SAFEGUARDS

The provisions in this section are specifically included in this proposition in order that the District’s voters and taxpayers may be assured that their money will be spent to address specific school facilities needs of the District, all in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Sections 15264 *et seq.* of the Education Code of California (the “Education Code”).

Evaluation of Needs. The Board of Education of the District (the “Board of Education”) hereby certifies that it has evaluated the facilities needs of the District, and the priority of addressing each of these needs. In the course of its evaluation, the Board of Education took safety, class size reduction and information technology needs into consideration while developing the Bond Project List.

Limitation on Use of Bond Proceeds. California (the “State”) does not have the legal authority to take locally approved school district bond funds for any State purposes. The State Constitution allows proceeds from the sale of bonds authorized by this proposition to be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities listed in this proposition, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, including, to the extent permitted by law, the acquisition or lease of real property in connection with an existing or future financing of the specific school facilities projects listed in the Bond Project List, including the prepayment of existing or future interim lease, certificate of participation or lease revenue bond financings, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff only when performing work necessary or incidental to the bond projects.

Independent Citizens’ Oversight Committee. The Board of Education shall establish an independent Citizens’ Oversight Committee (pursuant to Education Code Section 15278 *et seq.*), to ensure bond proceeds are expended only for the school facilities projects listed in the Bond Project List. The committee shall be established within 60 days of the date on which the Board of Education enters the election results on its minutes pursuant to Section 15274 of the Education Code. In accordance with Section 15282 of the Education Code, the citizens’ oversight committee shall consist of at least seven members and shall include a member active in a business organization representing the business community located within the District, a member active in a senior citizens’ organization, a member active in a bona fide taxpayers’ organization, a member that is a parent or guardian of a child enrolled in the District, and a member that is both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization. No employee or official of the District and no vendor, contractor or consultant of the District

shall be appointed to the citizens’ oversight committee. The District may decide that the current measure A Oversight Committee shall simultaneously serve as the Oversight Committee for this measure.

Annual Performance Audits. In compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000, the Board of Education shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in the Bond Project List. These audits shall be conducted in accordance with the Government Auditing Standards issued by the Comptroller General of the United States for performance audits. The results of these audits shall be made publicly available and shall be submitted to the citizens’ oversight committee in accordance with Section 15286 of the Education Code.

Annual Financial Audits. In compliance with the requirements of Article XIII A, Section 1(b)(3)(D) of the California Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000, the Board of Education shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed in the Bond Project List. These audits shall be conducted in accordance with the Government Auditing Standards issued by the Comptroller General of the United States for financial audits. The results of these audits shall be made publicly available and shall be submitted to the citizens’ oversight committee in accordance with Section 15286 of the Education Code.

Special Bond Proceeds Account; Annual Report to Board of Education. In compliance with the requirements of California Government Code Section 53410 *et seq.*, upon approval of this proposition and the sale of any bonds approved, the Board of Education shall take actions necessary to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent of the District shall cause a report to be filed with the Board of Education no later than January 1 of each year, commencing on the first January 1 after the sale of the first series of bonds, stating (a) the amount of bond proceeds received and expended in that year, and (b) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as the Head Financial Officer or such other officer as may perform such function of the District (or other officer designated by the Board of Education) shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board of Education.

FURTHER SPECIFICATIONS

Single Purpose. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Education Code Section 15100, and all the enumerated purposes shall constitute the specific single purpose of the bonds, and proceeds of the bonds shall be spent only for such purpose, pursuant to California Government Code Section 53410.

Joint Use. The District may enter into agreements with the City and County of San Francisco or other public agencies or nonprofit organizations for joint use of school facilities financed with the proceeds of the bonds in accordance with Education Code Section 17077.42 (or any successor provision). The District may seek State grant funds for eligible joint-use projects as permitted by law, and this proposition hereby specifies and acknowledges that bond funds will or may be used to fund all or a portion of the local share for any eligible joint-use projects identified in the Bond Project List or as otherwise permitted by California State regulations, as the Board of Education shall determine.

Rate of Interest. The bonds shall bear interest at a rate per annum not exceeding the statutory maximum, payable at the time or times permitted by law.

Term of Bonds. The number of years the whole or any part of the bonds are to run shall not exceed the legal limit, though this shall not preclude bonds from being sold which mature prior to the legal limit.

PROJECT LIST

The Bond Project List below lists the specific projects the District proposes to finance with proceeds of the bonds. The Bond Project List shall be considered a part of the bond proposition and shall be reproduced in any official document required to contain the full statement of the bond proposition. Listed projects will be completed as needed at a particular school or facility site according to Board of Education-established priorities, and the order in which such projects appear on the Bond Project List is not an indication of priority for funding or completion. To the extent permitted by law, each project is assumed to include its share of costs of the election and bond issuance, construction-related costs, such as project and construction management, architectural, engineering, inspection and similar planning and testing costs, demolition and interim housing costs, legal, accounting and similar fees (including, but not limited to, costs of litigation arising from such project), costs related to the independent annual financial and performance audits, a contingency for unforeseen design and construction costs, and other costs incidental to or necessary for completion of the listed projects (whether the related work is performed by the District or third parties). The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. In addition, certain construction funds expected from non-bond sources, including State of California grant funds for eligible projects, have not yet been secured. Therefore, the Board of Education cannot guarantee that the bonds will provide sufficient funds to allow completion of all listed projects. Alternatively, if the District obtains unexpected funds from non-bond sources with respect to listed projects, such projects may be enhanced, supplemented or expanded to the extent of such funds. Some projects may be subject to further government approvals, including by State officials and boards and/or local environmental or agency approval. Inclusion of a project on the Bond Project List is not a guarantee that the project will be completed (regardless of whether bond funds are available). The Board of Education has found and determined that all projects listed below are capital expenditures. Any project listed below may be accomplished by construction, reconstruction, rehabilitation or replacement, as applicable and as determined by the Board of Education, and includes furniture or equipment related thereto. The District may also undertake demolition at a school facility. The District may acquire or replace furniture and equipment in connection with each project as necessary. Headings and subheadings in the Bond Project List are the types of projects the District intends to undertake and the projects that may be undertaken are not limited to the specifically enumerated projects listed thereunder.

The projects listed here under may be undertaken at any current or future district site as the board determines necessary or desirable.

CONSTRUCTION, RECONSTRUCTION AND IMPROVEMENT: SCHOOL MODERNIZATION AND CORE FUNCTIONALITY PROJECTS

- Areas identified as health and safety risks to students, faculty, staff, parents and others may be corrected, including, but not limited to, items, buildings, building systems, or other units of real property that are either damaged or have outlived their useful lives, and the remediation of hazardous materials.
- Major building systems may be improved, including, but not limited to, systems such as electrical (including wiring), HVAC, domestic water, sewers, building enclosure systems (including, but not limited to roofs, walls, windows and associated structural elements), lighting, floors, ceilings and walls, technology and data processing, clocks and bells, security, fire alarm, fire sprinkler, elevators, etc.

- Major common, administrative, and athletic facilities, including, but not limited to, food service kitchens, cafeterias, multipurpose rooms, libraries, theaters, auditoriums, restrooms, gymnasiums, ancillary and administrative spaces/building and locker rooms. All facilities undergoing renovation may, if needed, be painted inside and out.
- Earthquake-Safety Seismic upgrades.
- Necessary or desirable accessibility improvements including, but not limited to, ADA compliance.
- Computer technology upgrades including infrastructure wiring and equipment, wireless access points, and telecommunication system upgrades and equipment.
- Interior modifications to reconfigure, modify, or modernize existing interior classroom and building spaces.
- Portable classrooms.
- Transitional Kindergarten facilities.
- Exterior modifications including, but not limited to, replacement or repair of all building exterior finishes and materials and exterior site work, playgrounds, play structures, shade structures, fences and gates, fields and bleachers, hardscape and landscaping.
- Additions or expansions to existing classroom or school buildings to provide additional classrooms or other spaces.
- Replacement of temporary classroom facilities (e.g., aging modular classrooms) with permanent structures.
- Warehouses, buildings and grounds facilities.
- New schools.
- Central kitchens / student nutrition facilities.
- Construct, renovate and/or modernize transportation facilities and infrastructure.
- Work not specifically listed here, but required or recommended by any departments or agencies having jurisdiction.
- Work necessary for compliance with the Education Code, health and safety codes, and building codes.

SCHOOLYARD / OUTDOOR LEARNING IMPROVEMENTS

The District may use bond proceeds to otherwise construct or modernize the outdoor areas at all current and future District sites. This includes, but is not limited to: schoolyard and outdoor learning improvements, including stormwater management and/or drainage; play equipment; outdoor classrooms; physical education or athletics programming enhancements; access to nature; increased shade; outdoor gathering and eating spaces; furniture, fixtures & equipment; retaining walls; and accessibility.

SECURITY UPGRADES

The District may improve security infrastructure and equipment at all current and future District sites, including, but not limited to, public address (PA) systems, door hardware and entry systems, and site fencing.

STUDENT NUTRITION AND FOOD SERVICE DELIVERY

The District may modernize or construct kitchens, including any necessary or incidental infrastructure, equipment, and/or site improvements to improve school meals, including, but not limited to, renovating dining areas and the central warehouse, constructing a new central kitchen, the creation of regional cooking kitchens to serve all District schools, food serving line upgrades, and cafeteria and dining space modernization at any current or future District site.

TECHNOLOGY UPGRADES

The District may improve information technology infrastructure and equipment at all current and future District sites, including, but not limited to, upgrades of core, school site local, and wide area networks; telecommunication system upgrades; development of redundant internet connection systems; disaster recovery; security; cybersecurity and central data infrastructure; and other technology devices, systems, and equipment.

Incidental Work Authorized At All Sites

(at which Projects listed above are undertaken)

Each project listed above includes allocable costs such as election and bond issuance costs to the extent permitted by law; architectural, engineering, inspection and similar planning costs; construction management (whether by the District or a third-party); annual financial and performance audits; a contingency for unforeseen design and construction costs; legal fees, including but not limited to litigation costs; and other costs necessary, incidental, or related to the completion of the listed projects and otherwise permitted by law, including but not limited to:

- Remove hazardous materials, e.g., asbestos, lead, etc.
- Address unforeseen conditions revealed by construction/modernization (e.g., plumbing or gas line breaks, dry-rot, seismic, structural, etc.).
- Other improvements required to comply with building codes.
- Furnish and equip of newly constructed classrooms and facilities, Replace worn/broken/out of date furniture and equipment.
- Acquire any of the facilities on the Bond Project List through temporary lease, lease-lease-back, or lease-purchase arrangements, execute a purchase option under a lease for any of these authorized facilities, or prepay lease payments.
- Demolish existing facilities and reconstruct facilities scheduled for modernization
- Rent or construct temporary classrooms (including modular classrooms), and rent or construct temporary locations, as needed to house students or administrative offices during construction.
- Prepare/restore site as necessary to support new construction, renovation or remodeling, or installation or removal of modular classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to the property.

The Bond Project List shall be considered a part of this ballot proposition, and shall be reproduced in any official document required to contain the full statement of the bond proposition.

GENERAL PROVISIONS

Interpretation. The terms of this bond proposition and the words used in the Bond Project List shall be interpreted broadly to effect the purpose of providing broad and clear authority for the officers and employees of the District to provide for the school facilities projects the District proposes to finance with the proceeds of the sale of bonds authorized by this proposition within the authority provided by law, including Article XIII A, Section 1(b)(3) of the California Constitution, Education Code Section 15000 *et seq.* and the Strict Accountability in Local School Construction Bonds Act of 2000. Without limiting the generality of the foregoing, such words as repair, improve, upgrade, expand, modernize, renovate, and reconfigure are used in the Bond Project List to describe school facilities projects in plain English and are not intended to expand the nature of such projects beyond, or have an effect on, and shall be interpreted to only permit, what is authorized under Article XIII A, Section 1(b)(3) of the California Constitution, Education Code Section 15000 *et seq.* and the Strict Accountability in Local School Construction Bonds Act of 2000. In this regard, the Bond Project List does not authorize, and shall not be interpreted to authorize, expending proceeds of the sale of bonds authorized by this proposition for current maintenance, operation or repairs.

Estimated Ballot Information. The Board of Education hereby declares, and the voters by approving this bond measure concur, that the information included in the statement of the bond measure to be voted on pursuant to Section 13119 of the California Elections Code is based upon the District's projections and estimates only and is not binding upon the District. The amount of money to be raised annually and the rate and du-

ration of the tax to be levied for the bonds may vary from those presently estimated due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the District based on need for project funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process.

Severability. The Board of Education and the voters hereby declare that every portion, section, subdivision, paragraph, clause, sentence, phrase, word, application and individual project (individually referred to as "Part" and collectively as "Parts"), of this bond measure has independent value, and the Board and the voters would have adopted each Part hereof regardless of whether any other Part of this bond measure would be subsequently declared invalid. Upon approval of this bond measure by the voters, should any Part of this bond measure be found by a court of competent jurisdiction to be invalid for any reason, all remaining Parts hereof shall remain in full force and effect to the fullest extent allowed by law, and to this end the Parts of this bond measure are severable.

TAX RATE STATEMENT

An election will be held in the San Francisco Unified School District (the "District") on November 5, 2024, to authorize the sale of up to \$790 million in bonds of the District to finance school facilities as described in the proposition. If the bonds are approved by at least 55% of the voters of the District voting on the bond measure, the District expects to issue the bonds in multiple series over time. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400 through 9405 of the California Elections Code.

1. The best estimate of the average annual tax rate that would be required to be levied to fund this bond issue over the entire duration of the bond debt service, based on assessed valuations available at the time of filing of this statement, is \$12.95 per \$100,000 of assessed valuation. The final fiscal year in which the tax to be levied to fund this bond issue is anticipated to be collected is fiscal year 2047-48.

2. The best estimate of the highest tax rate that would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is \$18.70 per \$100,000 of assessed valuation in fiscal year 2030-31.

3. The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all of the bonds are issued and sold is approximately \$1,300,000,000.

Voters should note that such estimated tax rates are specific to the repayment of bonds issued under this authorization and will be in addition to tax rates levied in connection with other bond authorizations approved or to be approved by local voters of the District or of any other overlapping public agency.

Voters in the District have approved four separate bond authorizations under which bonds have been issued that remain outstanding: 2003 Proposition A, approved on November 4, 2003, 2006 Proposition A, approved on November 7, 2006, 2011 Proposition A, approved on November 8, 2011, and 2016 Proposition A, approved on November 8, 2016. In tax year 2023-24, the combined tax rates for these measures totaled \$41.32 per \$100,000 of assessed value. Under current projected schedules, all bonds issued under 2003 Proposition A will be repaid by June 2026, all bonds issued under 2006 Proposition A will be repaid by June 2035, all bonds issued under 2011 Proposition A will be repaid by June 2035, and all bonds issued under 2016 Proposition A will be repaid by June 2042.

Voters should note that estimated tax rates are based on the *ASSESSED VALUE* of taxable property on the County's official tax rolls, *not* on the property's market value, which could be more or less than the assessed value, and that such estimated tax rates are in addition to taxes levied to pay bonds authorized under other measures and other taxes imposed by or on behalf of the District. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills and tax advisors to determine their property's assessed value and any applicable tax exemptions. The estimated rates presented above apply only to the taxes levied to pay bonds authorized by this measure.

Attention of all voters is directed to the fact that the foregoing information is based upon the District's projections and estimates only, which are not binding upon the District. The actual tax rates and the year or years in which they will apply, and the actual total debt service, may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the District based on need for construction funds and other factors, including the legal limitations on bonds approved by a 55% affirmative vote. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process.

Proposition B