

Proposition Z: San Diego Unified School District \$2.8 Billion Bond Measure Brief Summary

- In November 2008, voters approved Proposition S, a \$2.1 billion school bond measure. Proposition Z is a \$2.8 billion school bond measure that would increase tax rates again by an additional \$60 per \$100,000 of assessed valuation. The combined tax rate would be approximately \$127 per \$100,000 of assessed valuation.
- The District has spent less than 25 percent of the \$2.1 billion bond program approved by voters in 2008. Before they ask voters for another tax increase, they need to finish the projects promised to voters.
- The District recently issued a \$164 million 40-year maturity Capital Appreciation Bond. The total (principal and interest) cost to taxpayers for this issuance alone will be over \$1 billion, which will not be paid off until 2051. Nothing in Prop Z prevents the school board from taking on additional high interest debt which would triple Proposition Z's costs for taxpayers.
- The District is proposing to use expensive, long-term financing to pay for technology like iPads and routers that have a useful life of only 7 years. Financing this equipment over 30 or more years is bad fiscal policy.
- The District has not done adequate planning to ensure that Prop Z projects can be delivered on time and within budget.
- The District has not adequately maintained its schools and facilities on an annual basis.
- The District has rejected cost saving measures like closing under-populated schools and modifying its expensive employee healthcare agreements. Further, enrollment continues to drop in many areas within the District.
- Nothing in Prop Z ensures that the quality of education will improve. The District has put public employee pay and pension benefits over student performance and safety.
- The District will use a Project Labor Agreement for construction projects funded by Prop Z. A recent National University study shows the agreements increase construction costs to taxpayers by 13 to 15 percent.