



## **MEASURE E - GENERAL OBLIGATION BONDS**

### ***Frequently Asked Questions***

September 14, 2022

#### **What is the Proposition 39 requirement for a bond project list?**

The Bond Project List was included in the Full Text Ballot language for Measure E.

#### **How is this different from the State Constitution Article XIII A, Section 1(b)(3)(B) that states there should be “a list of the specific school facilities projects to be funded.”**

There is no difference. The legal authority cited in the Constitution is the basis for the development of a list of projects under Prop 39. Bond Counsel evaluates the list to determine if it meets the Article XIII A requirement. That evaluation is guided by judicial interpretation of the Constitution’s mandate. The California Appellate Courts have upheld project lists very similar to Measure E as being in compliance with the Constitution. Bond counsel approved the Measure E project list as meeting all the requirements of the law.

#### **How are bond proceeds determined to be expended?**

Bond proceeds are authorized to be expended for projects authorized by the 75-word ballot question or as the type described in the Bond Project List. This list is used to determine whether or not the expenditure of the bond proceeds is authorized by Measure E.

#### **Why is a more detailed project list required for the issuance of bonds within a bond Measure, e.g. Measure E?**

When a District plans to sell bonds, bond counsel requires information regarding the projects expected to be funded, including the cash flow schedule. This is a requirement of federal law to evaluate eligibility for tax-exempt financing.

#### **What is the estimated \$/AV vs. the legal requirement of \$25/\$100,000 of AV?**

The District estimates the tax rate of a bond authorization but the estimate is not binding. For example, the District estimated the Measure E tax rate at \$15/\$100,000 AV, though the legal maximum under Proposition 39 is \$25/\$100,000 AV.



**What is the maximum \$/AV for each community college general obligation bond authorization?**

The legal requirement under a Proposition 39 election is that the aggregate tax rate charged per bond authorization is a maximum of \$25/\$100,000 of Assessed Valuation.

**How will the Measure E \$15/\$100,000 AV tax rate be managed?**

The finance team will set the fixed repayment of the Measure E bonds (principal and interest), including the 2022 bonds, so that it is projected that the County will not have to levy a tax rate greater than the \$15 tax rate pledge to voters.

**Is the legal limit applicable to each issuance or to the total authorization?**

The \$25/AV legal limit is application to the total authorization, not each individual issuance. *The political pledge of a \$15/\$100,000 tax rate is applicable to the total authorization of Measure E bonds only and it managed as described above.*

**Where can the information regarding General Obligation Bond Measures and the related issuances be found?**

The EMMA website <https://emma.msrb.org/Home/Index> run by the MSRB, Municipal Securities Rulemaking Board, includes information for each financing that can be searched by typing in the name of a college. Tax rate information is available on the Los Angeles County Auditor/Controller website.