

Basic Principles Governing the Use of Bond Proceeds

- General rule: bond proceeds must be used for purpose(s) approved by voters.
- Purpose(s) approved by voters consist of purpose(s) set forth in the bond proposition.
- In 2013 Bond Program, voters approved propositions authorizing the issuance of bonds for the following purposes:

- Proposition 1 - For Health, Environment, Equipment and Technology

Construction, acquisition, rehabilitation, renovation, expansion, improvement and equipment of school buildings in the District, including (i) science programs, (ii) technology systems and equipment, (iii) promotion of energy conservation and efficiency, (iv) cafeteria and food service facilities, and (v) district maintenance and facilities services, and the purchase of new school buses.

- Proposition 3 – For Academic and Building Infrastructure Renovations and Repairs

Construction, acquisition, rehabilitation, renovation, expansion, improvement, and equipment of school buildings in the District, including (i) repair, improve and replace facility systems throughout the District (including roofing, plumbing, heating, ventilation, air conditioning, electric, flooring, and other building systems), (ii) rehabilitation, renovation and improvement of libraries, and (iii) traffic safety improvements.

- In 2017 Bond Program, voters approved propositions authorizing the issuance of bonds for the following purposes:
 - Construction, acquisition, rehabilitation, renovation, expansion, improvement, and equipment of school buildings in the District, including (i) repair, improve and replace facility systems throughout the District (including roofing, plumbing, heating, ventilation, air conditioning, electric, flooring, and other building systems), (ii) rehabilitation, renovation and improvement of libraries, and (iii) traffic safety improvements.

- Informational materials are prepared by District to provide more detailed description of intended projects.
- Informational materials may identify priority projects - specific projects intended to accomplish purpose(s) described by a bond proposition.
- Relevance of informational materials to permitted use(s) of bond proceeds turns on facts and circumstances.
- Board and District retain discretion to devise plan and determine manner in which purpose(s) described by a bond proposition will be accomplished.

- Contingency funds: amounts derived from a bond proposition that are budgeted to pay costs of a priority project in excess of the project's estimated baseline cost.
- Priority projects are intended to accomplish purpose described by the bond proposition - therefore, contingency funds may be used to pay costs of priority projects.
- Surplus funds: amounts derived from a bond proposition that remain unspent after priority project(s) and/or other approved projects related to the bond proposition have been completed.
- As noted, Board and District retain discretion to devise plan and determine manner in which purpose(s) described by bond proposition will be accomplished.
- In the exercise of such discretion, surplus funds may be used to pay costs of additional projects determined to be necessary or appropriate to accomplish purpose contemplated by the bond proposition.