



Bond and Parcel Tax Citizens' Oversight Committee 2019-2020 ANNUAL REPORT

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Letter from Citizens' Oversight Committee Co-Presidents

March 23, 2021

To: The Board of Trustees and Citizens of the Fremont Union High School District

The Bond and Parcel Tax Citizens' Oversight Committee is pleased to present its twelfth annual report which covers the 2019-2020 fiscal year. The principal duties of the Committee are to:

- Ensure that Bond and Parcel Tax proceeds are expended only for the purposes that they are intended;
- Report the program's progress to the public; and
- Provide an annual report and compliance statement

This Committee was established in June 2008 with the voters' approval of Measure B, a \$198 million school improvement bond. With the passage in November 2014 of Measure J (\$98 parcel tax renewal) and Measure K (\$295 million bond), the Trustees expanded the role of the Committee to include the oversight of all three measures. The Committee's role was subsequently expanded again to include oversight of Measure CC (\$275 million bond) approved by the voters in November 2018. All Measure B projects and expenditures were completed in the 2015-2016 fiscal year and our ongoing review encompasses Measures J, K and CC.

Over this reporting period, all five FUHSD schools and the new district-wide Educational Options and Adult School facilities had Measure K and Measure CC projects in design or construction. As of June 30, 2020, approximately \$218.5 million (Measure K) and \$11.3 million (Measure CC) had been spent on the program. The Committee held four publicly noticed meetings to review project and financial reports, including on-site tours of work in progress.

Of special note, in this period our District projects qualified for an additional \$3.33 million in matching funding from the State's School Facility Program. When added to the \$6.87 million of grant funding received the prior school year, these additional grants bring our state matching grant total to \$10.2 million. These dollars will be cycled back into our ongoing improvements efforts, delivering even greater value for our students and community.

Eide Bailly, LLP completed the annual audit of bond expenditures for Measures K and CC and for the Measure J Parcel Tax. The audit reports disclosed no instances of noncompliance with the terms of Proposition 39 or the terms of the bond measures and parcel tax measure as approved by District voters. The Committee is pleased to report that based on the findings of the annual audit, the Fremont Union High School District is in full compliance with its responsibilities as described in Article XIII A, Section 1(b)(3) of the California State Constitution.

This has been a productive year for the school bond programs, with major new facilities opened at all five high schools for the start of the current school year. We thank the community for their ongoing support for excellence in the facilities and programs of the Fremont Union High School District.

Respectfully,

David Fung
Co-President, Citizens' Oversight Committee

Mark Burns
Co-President, Citizens' Oversight Committee

ABOUT THE BOND MEASURES

Voters in the Fremont Union High School District have been supportive of the District’s efforts to build new classrooms, renovate and expand the facilities that serve our students and staff, upgrade computer network capability and science labs, upgrade classroom computers and technology, construct a solar electricity system and modernize track and fields facilities. They have approved four bond measures since 1998 – Measure H in April 1998 for \$144 million, Measure B in June 2008 for \$198 million, Measure K in November 2014 for \$295 million and most recently Measure CC in November 2018 for \$275 million.

All Measure H and B projects are complete and the funds fully expended. All of the bonds for Measure K have been sold, including approximately \$60 million in green bonds. Green bonds are used for projects that have substantial positive environmental and/or climate benefits. In addition, \$55 million in bonds have been sold for Measure CC projects. In the descriptions below, projects are identified as being funded by Measure (K) or Measure (CC).

ABOUT THE PARCEL TAX MEASURE

Voters also approved a parcel tax in 2004 for \$98 per parcel. Since then, voters renewed it in 2010 and again in 2014 with Measure J, which is due to expire in 2022. The parcel tax protects the math, science, English, foreign language, music and art classes currently offered; maintains class sizes; and retains high quality teachers and staff.

INDEPENDENT AUDIT

Under the provisions of the California Constitution as amended by Prop 39, the 2014 Measure K Bond Program and Measure CC Bond Program must undergo an annual audit by an independent auditing firm. Additionally, the District must provide accountability through an annual audit detailing the amount of funds collected and expended from parcel tax proceeds. The District utilized the certified public accounting firm of Eide Bailly LLP, to perform the required financial and performance audits for the fiscal year ended June 30, 2020. On November 30, 2020, Eide Bailly met with the Committee to review the draft audit reports that document the audit results. The audit reports were approved by the District’s Board of Trustees at their meeting held on December 8, 2020. The audit reports are available on the Committee’s website www.fuhsd.org/departments/bond-program/citizens-oversight-committee.

CITIZENS’ OVERSIGHT COMMITTEE

Under the provisions of the California Constitution as amended by Prop 39, an independent Citizens’ Oversight Committee (Committee) must be established to assure that Bond funds are spent as approved by the voters. The Committee is required to publish an annual report of its findings.

As chartered by the Board of Trustees of the Fremont Union High School District (Board), the 2008 Measure B Bond Committee was created. In January of 2015, the Board expanded the charter of the Committee to include the Measure K Bond and Measure J Parcel Tax. The new Committee became the **Bond and Parcel Tax Citizens’ Oversight Committee**. In February of 2019, after the passage of Measure CC, the Board of Trustees added the oversight of Measure CC to the Committee’s responsibilities. The Committee may also act as a communications channel for disseminating bond program and parcel tax information and collecting community inputs or concerns. The Committee is not a bond program or parcel tax advisory body and has no authority to make policy, make decisions, or set priorities in the spending of any funds or District operations. All projects are authorized and approved by the Board of Trustees.

Committee members are appointed for a two-year term and may serve three two-year terms with no compensation for their participation. For the latest Committee meeting schedule, meeting minutes, and other information, please go to www.fuhsd.org/departments/bond-program/citizens-oversight-committee.

CUPERTINO • FREMONT • HOMESTEAD • LYNBROOK • MONTA VISTA

PROJECT/SITE UPDATES

At Cupertino High School, the entrance to the Athletic Fields Complex was modernized and a natural grass baseball field was converted to artificial turf as part of Measure CC. Obsolete portables were removed making way for a bike rack lot for 500 bikes! The architect on this project was Verde Design and the builder was Bothman Construction.

Also as part of Measure CC, the Building 500 Science Building Roofing project was completed in the fall of 2020. It included new HVAC, roofing and fire alarm upgrades in addition to classroom modernization, which included new lighting, ceilings, AV system, paint and furniture. McKim Design Group was the architect and Blach Construction was the builder.

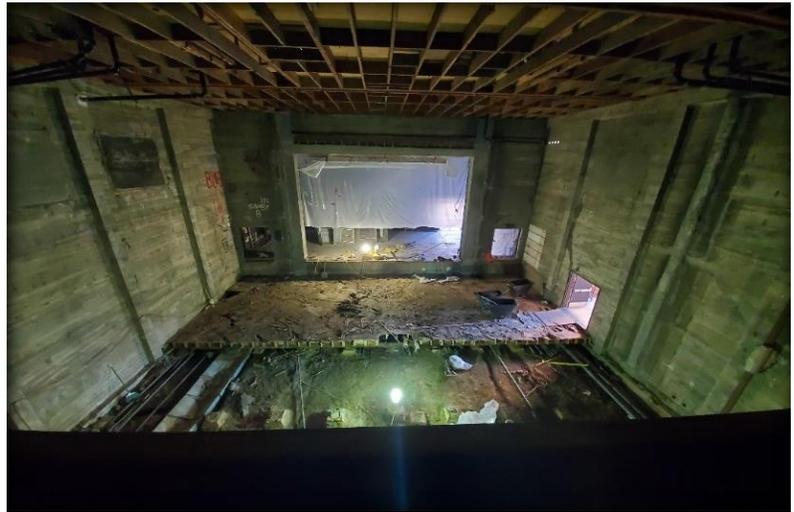


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At Fremont High School work commenced on the 100-year-old Original Building. The scope of this project includes modernization of 21 classrooms and the 450-seat auditorium. The architect for this project is CAW and the builder is Lathrop Construction. The project is scheduled to complete in December of 2021 and is a Measure K and Measure CC funded project.



FHS Original Building and Theater (cross section)

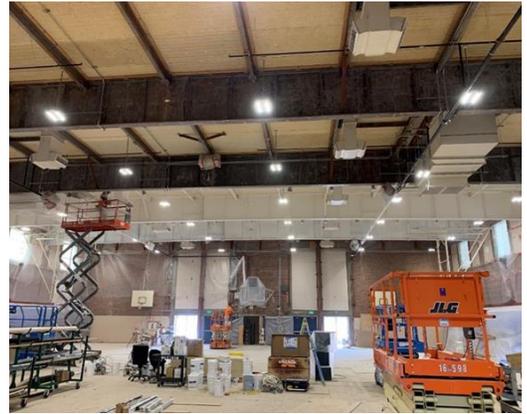


As part of Measure K, the Homestead High School Guidance and Student Services Building (GSS) opened in August 2020. QKA was the architect and Lathrop Construction was the builder. This project improves security and way finding by relocating the main administration and visitor check-in functions from the center of campus to the perimeter area near the visitor parking lot. The next phased project at Homestead will be the classroom modernization and seismic upgrades of the A Building as part of Measure CC.

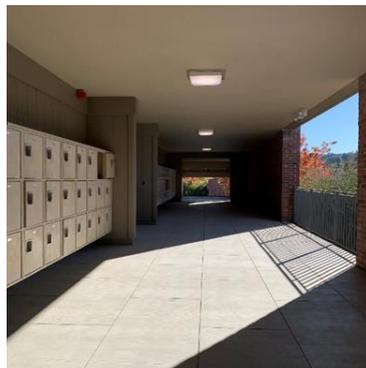


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At Lynbrook High School, the gym was seismically strengthened and a new lobby was added to compliment the recently renovated quad area. Work also commenced on a new Guidance and Student Services (GSS) Building near the main entrance of the school. The architect for these projects is QKA, the builder is Blach Construction and both are Measure CC funded projects.



At Monta Vista High School, the focus was the classroom modernization of 37 classrooms on the second floors of Wings A, B & C, which also include a modernization of the Academic Quad as part of Measure CC. The architect for this project was DCA and the builder was Lathrop Construction.



MEASURE J – PARCEL TAX UPDATE

Staff presented the audited Measure J Parcel Tax Update to the Committee on November 30, 2020 and to the Board of Trustees on December 8, 2020. The following table shows the revenue and expenditures that were reported for the fiscal year that ended on June 30, 2020.

**Fremont Union High School District
Parcel Tax Report
FY 2019-20**

Revenues:

Potential Parcel Taxes	5,262,453.49
Assessor's 1% Fee	(52,624.53)
Gross Revenues	5,209,828.96
Senior Exemptions (Refunds only)	(36,554.00)
Total Parcel Tax Revenues	5,173,274.96

Expenses:

Restoration of Teacher and Staff Salary Rollback	4,523,728.00
Sustaining 2004-2005 Staffing Levels	1,560,000.00
Maintain Reduced Class Size - 9th Grade English & Algebra	663,000.00
Miscellaneous Classified	314,849.96
School Resource Budget Restoration	919,815.00
Athletic Officials	30,000.00
On-Going & Major Maintenance (3%)	530,000.00
Additional Coaches Stipends 5 per site	113,000.00
Preliminary Parcel Tax Expenses	8,654,392.96

Transferred to other sources due to insufficient Parcel Tax funds:

Parcel Tax funds	(3,481,118.00)
Final Parcel Tax Expenses	5,173,274.96

Specific Purposes of the Parcel Tax as described in the November 2014 ballot:

1. Protect the math, science, english, foreign language, music and art classes currently offered
2. Maintain class sizes
3. Retain high quality teachers and staff