

MEASURE B1

2019-2020

STAFF REPORT

**Published by
AUSD's Business Services Department
April 27, 2020**

INTRODUCTION

Alameda voters approved the Measure B1 parcel tax by 74.25% on November 8, 2016. The measure went into effect on July 1, 2018.

The measure is an extension of the Measure A parcel tax that was passed in 2011. As such, like its predecessor, Measure B1 is crucial to the maintenance of highly valued programs in Alameda Unified School District (AUSD), including arts, sports, small class sizes, neighborhood elementary schools, and counselors and academic programs for both struggling and high-achieving students.

Like Measure A, Measure B1 provides 10% the District's annual revenue, making it AUSD's second-largest funding stream and a clear source of financial stability in a state that woefully underfunds its public schools.

Seventy-nine percent of eligible Alamedans voted in the election November 8, 2016; nearly three-quarters of them voted for Measure B1. This is the highest percentage of votes that any parcel tax has ever received in Alameda. We take that as a clear indication that the community of Alameda supports using local funding to support our students, our employees, and our schools. Our district is grateful to community members for this support and committed to maintaining high levels of transparency and accountability in the management and oversight of this crucial local funding.

Integral to that transparency and accountability are the annual reports submitted to the Board of Education from both district staff and the Measure B1 Oversight Committee. Both reports will be presented to the Board of Education and, once approved, posted to the [AUSD Measure B1 web page](#).

The following report summarizes Measure B1 revenues and expenditures for the **2019-20** school (and fiscal) year. The Measure B1 Oversight Committee Annual Report is available [here](#). The full ballot measure is available [here](#).

We look forward to working with the Measure B1 Oversight Committee over the next six years.

Measure B1 Lawsuit

In February 2017, three plaintiffs who have previously sued AUSD over its parcel taxes filed a lawsuit alleging that Measure B1 is illegal. Details about that lawsuit are included in our [February 7, 2017 press release](#).

The bench trial for this matter occurred on September 27. The judge issued a tentative ruling in AUSD's favor on October 30, 2017; the stipulated judgment was issued in the spring of 2018.

You can read about that final judgment in this [press release from May 4, 2018](#).

Measure B1 History

Measure B1, a \$12 million per year parcel tax designed to support core values and programs in the Alameda Unified School District (AUSD), was approved in November, 2016. Measure B1 is an extension of Measure A, which was approved in March 2011 and remained in effect through July 2018.

The State of California had changed its public education funding system in 2013. The new system— called the Local Control Funding Formula (LCFF) —could not cover the cost of Measure A or B1 programs, however, as most LCFF supplemental funds are earmarked by the state for certain students. As such, Measure B1 was designed to allow AUSD to continue the critical work to which we are all committed: — providing excellence and equity for all AUSD students— and protect key programs, resources, and values, including small class sizes in grades K-3, counseling and student support services, neighborhood schools, up-to-date technology and technology services, enrichment classes (such as art, music, and PE), charter school students, and high school athletics.

For more information on Measure B1's history and scope, please go to <http://www.alamedaunified.org/measureB1>.

COVID-19

Following the March 16 shelter-in-place order issued by the Alameda County Public Health Department, all AUSD schools moved to distance learning opportunities. Schools remained in distance learning through the end of the school and fiscal year (June 30, 2020). Although a number of the programs supported by Measure B1 were discontinued during this time, Measure B1 revenues were still used to support the staff in those programs. (Currently, 94% of Measure B1 revenues is allocated to salaries and benefits for both certificated and classified employees.) In other words, while the pandemic has impacted AUSD's overall budget, it did not impact the parcel tax program.

2019-20 Measure B1 Oversight Committee Members*

- Doug Biggs
- Roxanne Clement
(AEA member)
- Carrie Hahnel
(chair)
- Steve Kellner
- Bob Kreitz
- Chris McCaslin
- Fred Mendez
(stepped down)
- Kiki Monifa
- Mark Ouimet
- Kathryn Saulsgiver,
PhD
- Steven Smith

**The 2020-21 Measure B1 Oversight Committee began meeting in April, 2021.*

Measure B1 Oversight Committee

Like its Measure A predecessor, Measure B1 stipulates that a "District Oversight Committee" be created to "annually review District compliance with the terms of this Measure." The measure also mandates that the Board of Education "sets the size, structure, and scope of duties of the Oversight Committee." [Board Policy 3221](#) (Parcel Tax Funds) calls for an 11-member committee representing diverse interests of parents/guardians, staff members, students, and community members from all attendance areas in the District.

Throughout 2019-20, the Oversight Committee reviewed Measure B1 revenues and expenditures and made suggestions on how to increase the transparency of and better communicate the results of the program.

In addition to discussing the details of the Measure B1 program, the 2019-20 Measure B1 Oversight Committee asked for clarification on AUSD's use of LCFF supplemental funds, the parcel tax for employee salaries that was put on the ballot in March 2020, and the best way to manage oversight of the two programs (see page 19). The committee also suggested that we re-examine expenditures in the "Programs to Close the Achievement Gap" category. We are grateful to the committee's expertise, respectfulness, suggestions, and willingness to serve.



Measure B1 Oversight Committee Meetings

In addition to staff presentations to the Board, the 2019-20 Measure B1 Oversight Committee met in open, noticed, public meetings on the following dates:

- June 1, 2020
- November 18, 2020
- December 16, 2020

Agendas, minutes, and supporting documents for these meetings are available on the [Measure B1 Oversight Committee page](#).

Measure B1 Meetings and Presentations

AUSD Board Policy 3221 (Parcel Tax Funds) requires that district staff generate three reports about Measure B1 annually.

For the 2019-20 school year, staff gave the following five presentations about Measure B1 to the Board of Education:

September 24, 2019: [Superintendent's Recommendations for the Measure B1 Oversight Committee](#)

October 17, 2019: [Superintendent's Recommendations for the Measure B1 Oversight Committee](#)

April 28, 2020: [2018-19 Measure B1 Annual Report](#)

June 9, 2020: [Public Hearing of Budget Proposal 2020-21](#)

June 23, 2020: The Board approved those recommendations as part of [Final Budget for Fiscal Year 2020-21](#)

Due to the volume of COVID-related presentations, staff did not present this 2019-20 Measure B1 Annual Staff Report to the Board of Education until April 27, 2021. The chair of the oversight committee presented the committee's report at the same meeting. Both reports will then be posted to the [AUSD Measure B1 website](#), as all Measure A Annual Reports were also posted to the website.

At the request of the committee, a sample of parcel tax expenditures was tested by the auditor as part of the general audit of district finances this year. The auditor has reported:

"Revenues raised by Measure B1 are authorized to be used only for those educational programs and activities set forth in the eleven specific categories set forth in the Measure B1 ballot language. Revenue of \$12,590,215 and expenditures of \$12,590,215 for the Measure B1 parcel tax for the year ended June 30, 2020 are included in these audited financial statements."

The full auditor's report is available on our [District Financial Information page](#).

Measure B1 Structure

Under Measure B1, residential and commercial property owners pay \$0.32 per building square foot. The tax is capped at \$7,999 per parcel. Property without buildings is charged a flat tax of \$299 per parcel.

*Possessory interest is paid by lessees of City of Alameda property, including property on Alameda Point and in the Park Street business area.

2019-20 Measure B1 Revenues

The actual amount of parcel tax revenue received in 2019-20 was \$118,052 more than expected.

In June 2019, when the Board adopted its 2019-20 budget (including specific allocations for Measure B1 for that year), the District projected that Measure B1 would generate revenues of \$12,472,163 that fiscal year. This projection was based on tax information from Alameda County.

At the time of audited actuals (“closing of the books” for 2019-20) in November 2020, the actual Measure B1 revenues received in 2019-20 were \$12,590,215.

Note: As parcels on Alameda Point continue to be divided and sold, we expect tax revenues to continue to increase. This is because each time a large parcel is divided, the \$7999 cap is lifted and the resultant new parcels generate more revenue.

Category	Amount
2019-20 payments	\$12,499,755
Possessory Interest on government property*	173,381
Prior Year Revenue	74,961
Accounts Receivable Write-Off	5,996
TOTAL	\$12,590,215

Exemptions

A property that is the primary residence of a community member aged 65 or older or who receives Social Security Income for a disability is eligible to be exempted from the parcel tax.

Category	Number
Seniors	3052
Supplemental Security Income (SSI)	3

Exemption forms are available on AUSD's [Measure B1 page](#).

2019-2020 Measure B1 Allocations and Expenditures

The amounts allocated for Measure B1's expenditure categories in the ballot measure, as well as the actual revenue spent per category in 2019-20 are shown below.

Item #	Expenditure Category	Percent Originally Allocated (Measure B1)	Percent Spent (2019-20)	Amount Spent (2019-20)
1	Small Class Sizes K-3 •Maintaining 25:1 K-3 class size	13-14%	14.73% ¹	\$1,829,014
2	Neighborhood Elementary Schools	7-8%	7.07% ¹	878,262
3	Secondary School Choice Initiative and AP Courses •EHS 8 AP Sections •AHS 10 AP Sections •ASTI (maintaining small class sizes) 2 FTE ² •Island (maintaining small class sizes) 4 FTE	7-8%	7.48%	928,363
4	Programs to Close Achievement Gap •JROTC •Partial SIM & IBD initiatives •Restore 5 days of instruction ³ •SIM Initiative •Bay Science (BaySci)	15-16%	13.39%	1,662,662
5	High School Athletic Programs •Coach stipends •Athletic supplies •Outside services	4%	4%	497,133
6	Enrichment Programs •Elementary schools - music, PE, and libraries •Middle schools - 4 Fine Art sections •High schools - 10 Fine Art sections	9-10%	9.02%	1,119,714
7	Attract and retain excellent teachers •Maintenance of current AEA salary schedule	25-26%	30.31% ¹	3,763,986
8	Counseling and student support services •Counselors: 6 FTE •College Career Techs: .8 FTE	6%	6%	744,891
9	Alameda Charter Students	3-4%	3.00%	372,372
10	Technology •Equipment •3.5 FTE	5%	5.0%	620,686
11	Adult Education	4%	0% ⁴	0
	Subtotal (Measure B1)			\$12,417,063
	Accountability and Transparency	1.5-2%		173,152
	Total 2019-20 parcel tax expenditures			\$12,590,215

1. Allocations for this category were adjusted due to changed funding circumstances. Please see page 8 for details.

2. FTE: Full-time employee

3. These days were cut in 2010 when a prior parcel tax, Measure E, did not pass.

4. See page 13..

Measure B1 Expenditures 2019-20

Note: In 2015-16, the California Department of Education began funding adult education after a four-year hiatus. Because Measure A allowed for a re-allocation of funds in the event of “changed funding circumstances,” the Board of Education approved distributing the \$480,000 typically spent on Adult Education to the three most expensive categories of Measure A funding: attracting and retaining excellent teachers; programs to close the achievement gap; and small class sizes in grades K-3. This redistribution has continued with Measure B1. In addition, in 2018 the Board approved [a resolution](#) reallocating \$395,788 from the Program to Close the Achievement Gap category to Attract and Retaining Excellent Teachers. As such, in the following pages, those categories show both the original allotment described in the Measure B1 ballot language and the percentage actually allocated under these changed funding circumstances.

1. Maintaining manageable elementary class sizes with student to teacher ratios no greater than 25 to 1 in K-3 classrooms

Percentage allocated in Measure B1: 13-14% of parcel tax revenues

Percentage spent in 2019-20: 14.73%

In 2019-20, the District spent **\$1,829,014** so that K-3 classes could remain staffed at a 25:1 maximum. Without this measure, K-3 class sizes most likely would need to be higher. Smaller class sizes have been linked to better outcomes for all students, but especially for those subgroups who have traditionally been disadvantaged in education.



2. Maintaining high-quality neighborhood elementary schools

Percentage allocated in Measure B1: 7-8% of parcel tax revenues

Percentage spent in 2019-20: 7.07%

Measure A funds in this category were dedicated to supporting principals, office managers, health care clerks, and custodians at AUSD elementary sites. In 2019-20 the District spent **\$878,262** to support principals, office managers, health care clerks, and custodians at these schools.

Neighborhood schools enable walking and biking to school, which helps reduce traffic and pollution and improve student health. They also are conducive to developing strong community bonds.

Measure B1 Expenditures 2019-20 (continued)

3. Maintaining Advanced Placement courses, supporting secondary school choice

Amount allocated in Measure B1: 7-8% of parcel tax

Percentage spent in 2019-20: 7.48%

In 2019-20, the District spent **\$928,363** on this category. The money funded 10 AP sections at Alameda High (\$228,779) and 8 AP sections at Encinal High School (\$228,432), as well as small class sizes at ASTI (\$229,388) and Island High School (\$241,764).



4. Supporting programs that are specifically designed to close the achievement gap

Amount allocated in Measure B1: 13-14% of parcel tax revenue

Percentage spent in 2019-20: 13.39%

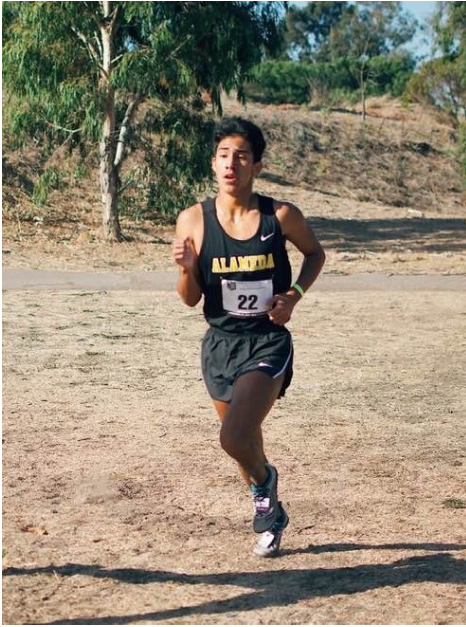
In 2019-20, the District spent \$1,662,662 on:

- Inquiry by Design: \$107,985
- Maintaining five days to school year: \$1,554,677

In prior years, Measure A and Measure B1 funded JROTC at Encinal Jr. & Sr. High School. In 2019-20, however, JROTC was discontinued, as neither AUSD nor the military were able to find qualified staff to teach in the program. As such, the funds designated for JROTC were rolled into maintaining the five AEA days for the school year.

Total: \$1,623,631

Measure B1 Expenditures 2019-20 (continued)



5. Maintaining high school athletics programs

Amount allocated in Measure B1: 4% of parcel tax revenue

Percentage spent in 2019-20: 4%

In 2019-20, the District spent **\$497,113** in Measure B1 funds to maintain high school athletics. These funds contribute to stipends for more than 100 coaches, as well as purchasing and maintaining team uniforms and equipment at Alameda High School and Encinal High School. Without these funds, AUSD's high school athletic programs would be dramatically reduced or eliminated altogether.

6. Maintaining art, music, drama , P.E., and library as integral subjects of the K-12 curriculum

Amount allocated in Measure B1: 9-10% of parcel tax revenues

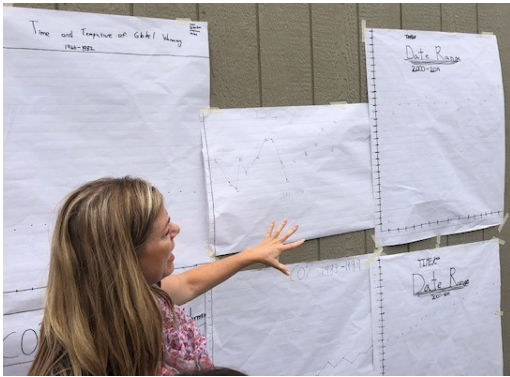
Percentage spent in 2019-20: 9.02%

In 2019-20, the District used **\$1,119,714** in Measure B1 funds to support:

- One-third of the salaries of elementary music and PE teachers, as well as teacher/librarians: \$990,131
- High school fine arts sections: \$110,830
- Middle school fine arts sections: \$99,753



Measure B1 Expenditures 2019-20 (continued)



8. Providing a lower and more effective ratio of students to counselors and support providers

Amount allocated in Measure B1: 6% of parcel tax revenue

Percentage spent in 2019-20: 6%

In 2019-20, the District spent these funds on

- \$695,689 for 6 counselors
- \$49,202 for .8 college and career technician

The funds brought our student to counselor ratio to 497:1 in our middle schools and 323:1 in our high schools.

Without the funding for these positions, our student to counselor ratio would be about 700:1 at our traditional high schools and 900:1 at our middle schools.

7. Attracting and retaining highly qualified and excellent teachers

Amount allocated in Measure B1: 25-26% of parcel tax revenue

Percentage spent in 2019-20: 30.31%

In 2019-20, the District spent **\$3,763,986** in Measure B1 funds for maintenance of the current salary for Alameda Education Association members. This is the equivalent of 8% of AUSD teachers' salaries. Without this money, AUSD teacher salaries—which already lag behind the Alameda County average—would be even lower and attracting and retaining high-quality teachers would be even more difficult.

In the wake of increased LCFF supplemental funding from the State, in May 2018 the Board of Education approved a resolution calling for \$395,788 per year to be shifted from the "Programs to Close the Achievement Gap" category to this category. This reallocation due to changed funding circumstances is consistent with Measure B1 language and was in addition to the reallocation due to the State's re-funding of Adult Education programs. Details are available in [this resolution](#).

Measure B1 Expenditures 2019-20 (continued)

9. Supporting Alameda students in Alameda's public charter schools

Amount allocated in Measure A: 3-4% of parcel tax revenue

Percentage spent in 2019-20: 3%

Measure B1 funds are distributed to charter schools that were in existence at the time of the measure's passage. They are distributed in proportion to each charter's enrollment of Alameda resident students. In 2019-20, the District provided **\$372,372** of Measure B1 revenues to support Alameda students in Alameda's charter schools, as shown below. Charter schools are free to spend their Measure B1 funds as they see fit.

Charter School Name	P-2 ADA	Allocation Percentage	Allocation Amount
ACLC	209	19.93%	\$74,215.87
AOA- Middle School	303	28.85%	107,431.69
NEA	333	31.71%	118,091.63
BASE	0	0	
AOA-Elementary	205	19.51%	72,632.82
Total		100%	\$372,372.01

Measure B1 Expenditures 2019-20 (continued)

10. Providing and maintaining technology at all sites

Amount allocated in Measure B1: 5% of parcel tax revenue collected

Percentage spent in 2019-20: 5%

In 2019-20, the District spent \$343,067 for 3.5 staff positions and \$277,619 for technology replacements and upgrades, including: Chromebooks, document cameras, projectors, iPads, desktop computers, and carts for Chromebooks, laptops, short throw projectors, and iPads. Indeed, every teacher in the district now receives a new laptop every three years.

Total: \$620,686

11. Supporting the Alameda Adult School

Amount allocated in Measure B1: 4% of parcel tax revenue collected

Percentage spent in 2019-20: 0%

In 2015-16, the California Department of Education began funding adult education after a four-year hiatus. Because Measure A allowed for a re-allocation of funds in the event of “changed funding circumstances,” the Board of Education approved distributing the \$480,000 typically spent on Adult Education to the three most expensive categories of Measure A funding: attracting and retaining excellent teachers; programs to close the achievement gap; and small class sizes in grades K-3. This redistribution has continued with Measure B1.

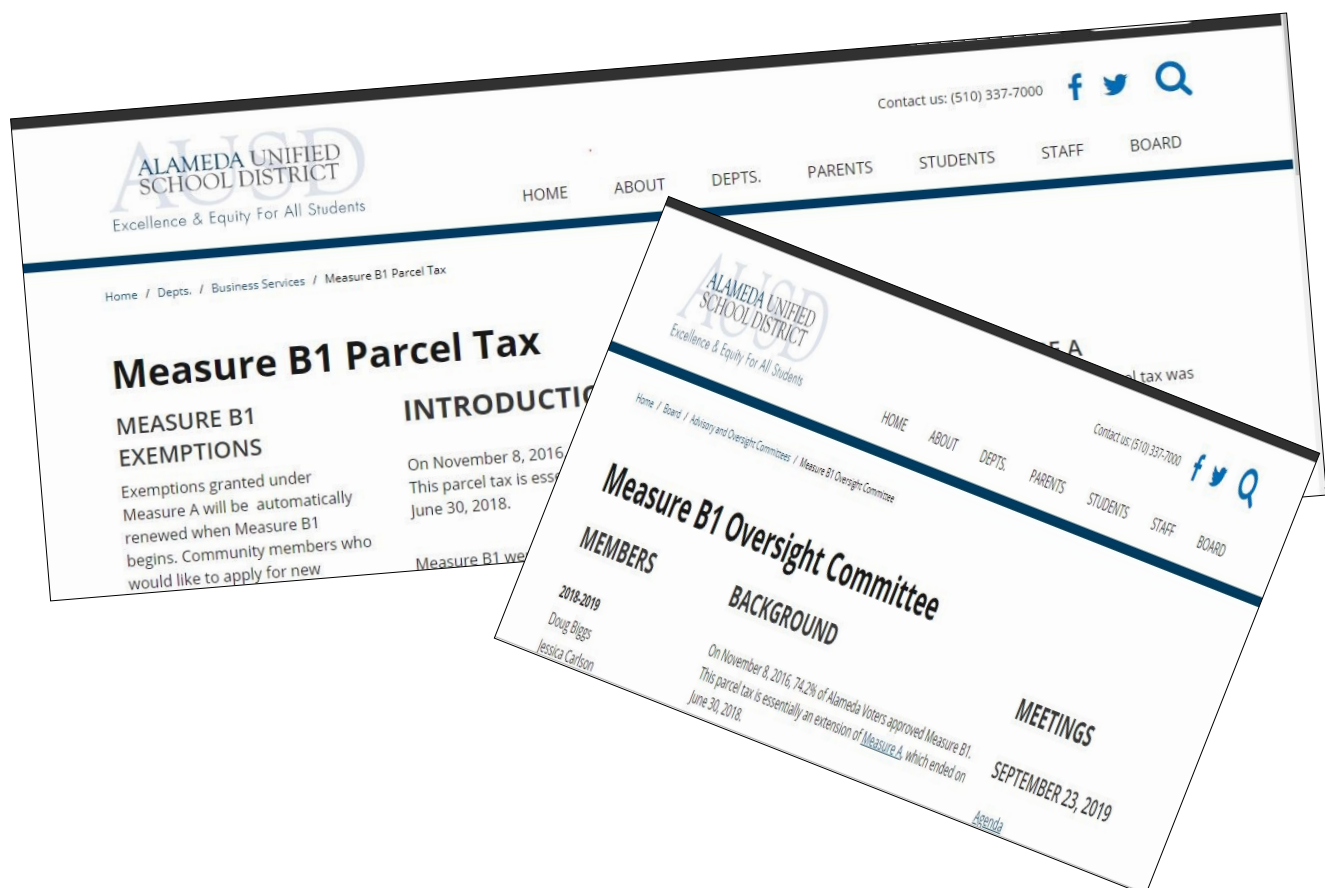
Measure B1 Expenditures 2019-20 (continued)

Accountability and Transparency

Amount allocated in Measure B1: 1.5-2% of parcel tax revenue

Percentage spent in 2019-20: 1.4%

In 2019-20, the District spent **\$173,152** of the parcel tax revenue for staffing, supplies/materials, and parcel tax administration. Consistent with the relevant language of Measure B1, these funds, which support accountability and transparency with the community, are “taken off the top” before Measure B1’s available funds are allocated into the primary expenditure categories. The funds paid for 50% of the cost of staffing one position (Senior Manager, Community Affairs) and 50% of the cost of staffing a Fiscal Manager.

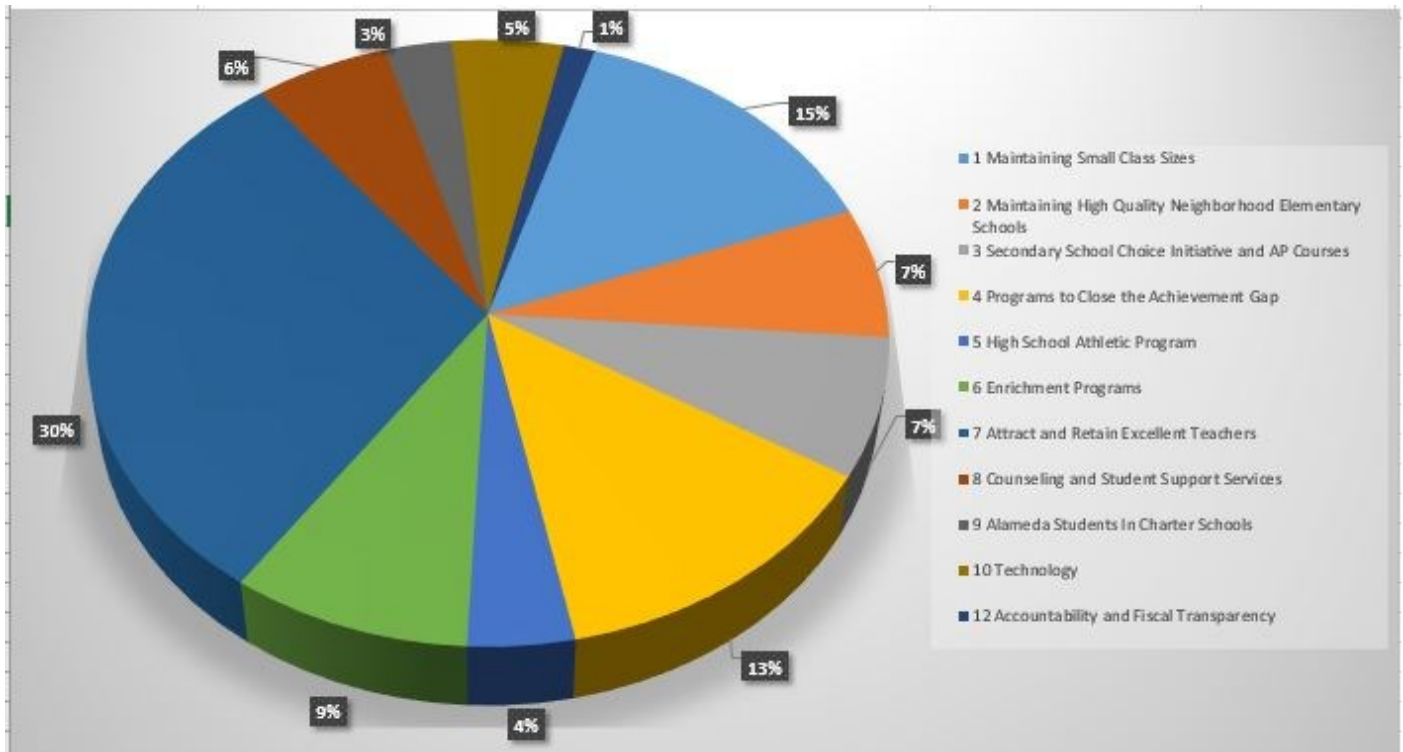


2019-20 Measure B1 Expenditures by Site

Site/Program	Actual Expenditures (\$)
All Elementary Schools	
Elementary Music-PE-Media	909,131
Neighborhood Elementary Schools	878,262
Small Class Sizes in K-3	1,829,014
All K-12 Schools	
Attract Excellent Teachers	3,763,986
Restore 5 Days for Teachers	1,554,677
Alameda High	
Counseling & Student Support	266,363
Enrichment Programs	54,255
High School Athletics - Boys	114,518
High School Athletics - CO-Ed	45,860
High School Athletics - Girls	115,332
Secondary School Choice Initiative	228,779
Technology Dept.	28,903
ASTI	
Secondary School Choice Initiative	229,388
Encinal Jr/Sr High	
Counseling & Student Support	307,600
Enrichment Programs	56,575
High School Athletics - Boys	102,614
High School Athletics - CO-Ed	49,591
High School Athletics - Girls	69,198
Secondary School Choice Initiative	228,432
Technology Dept.	-
Island High	
Secondary School Choice Initiative	241,764
Technology Dept.	5,519
Lincoln Middle	
Counseling & Student Support	122,366
Enrichment Programs	48,299
Maya Lin Elementary	
Technology Dept.	9,058
Otis Elementary	
Technology Dept.	10,153
Wood Middle	
Counseling & Student Support	48,562
Enrichment Programs	51,454
Charter Schools	
Charter Schools	372,372
Technology Dept.	

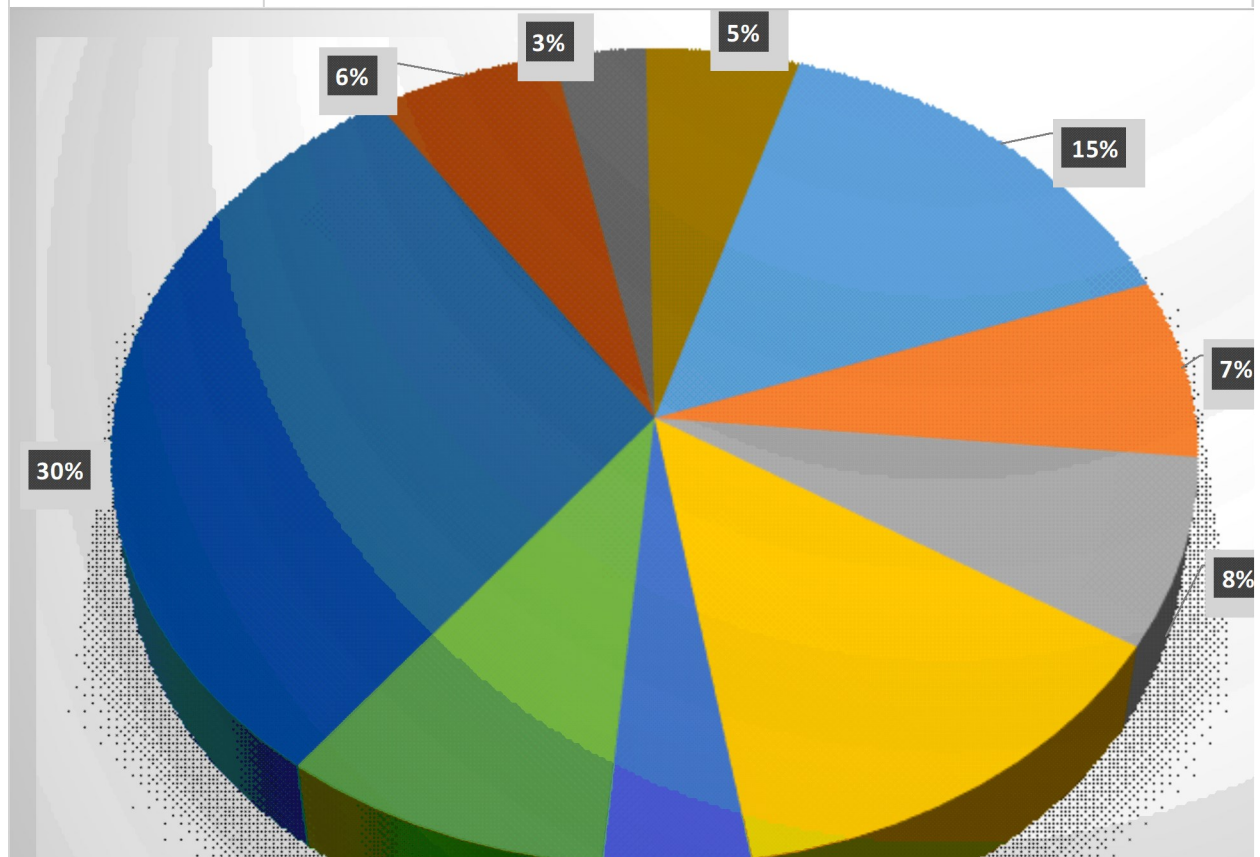
2019-20 Measure B1 Expenditures by Category

P.Tax Item	Description	Amount	Percentage
1	Maintaining Small Class Sizes	\$ 1,829,014	14.53%
2	Maintaining High Quality Neighborhood Elementary Schools	\$ 878,262	6.98%
3	Secondary School Choice Initiative and AP Courses	\$ 928,363	7.37%
4	Programs to Close the Achievement Gap	\$ 1,662,662	13.21%
5	High School Athletic Program	\$ 497,113	3.95%
6	Enrichment Programs	\$ 1,119,714	8.89%
7	Attract and Retain Excellent Teachers	\$ 3,763,986	29.90%
8	Counseling and Student Support Services	\$ 744,891	5.92%
9	Alameda Students In Charter Schools	\$ 372,372	2.96%
10	Technology	\$ 620,686	4.93%
12	Accountability and Fiscal Transparency	\$ 173,152	1.38%
Total Expenditures		\$ 12,590,215	100.00%



2019-20 Measure A Expenditures by Category

P.Tax Item	Description
1	Maintaining Small Class Sizes
2	Maintaining High Quality Neighborhood Elementary Schools
3	Secondary School Choice Initiative and AP Courses
4	Programs to Close the Achievement Gap
5	High School Athletic Program
6	Enrichment Programs
7	Attract and Retain Excellent Teachers
8	Counseling and Student Support Services
9	Alameda Students In Charter Schools
10	Technology
12	Accountability and Fiscal Transparency
	Total Expenditures



Measure A and Measure B1 Revenues and Expenditures

2011-2019

Summary of Revenue and Expenditure										
Description	Measure A					Measure B1				
	2011-12 (Actual)	2012-13 (Actual)	2013-14 (Actual)	2014-15 (Actual)	2015-16 (Actual)	2016-17 (Actual)	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Actual)	Total
Beginning Balance, July1	\$ -	\$ 189,738	\$ 131,450	\$ 57,264	\$ 164,125	\$ 41,754	\$ 35,325	\$ 34,652	\$ -	\$ -
Revenue	\$ 12,037,947	\$ 11,892,998	\$ 11,940,000	\$ 12,016,874	\$ 12,010,559	\$ 12,117,378	\$ 12,374,281	\$ 12,468,506	\$ 12,499,755	\$ 109,358,298
Possessory Interest	23,153	34,416	25,910	21,455	151,781	60,525	118,187	173,381		\$ 608,807
Prior Year Revenue	-	-	17,963	71,886	21,350	27,180	18,505		96,456	\$ 253,340
Prior Year Accounts Receivable Write Off*	-	(45,896)					(4,332)	-	(5,996)	\$ (56,224)
Total Revenue	\$ 12,061,100	\$ 11,881,518	\$ 11,983,873	\$ 12,110,215	\$ 12,183,690	\$ 12,205,084	\$ 12,506,641	\$ 12,641,887	\$ 12,590,214	\$ 110,164,222
Contribution from Unrestricted General Fund	\$ -	\$ 272,077	\$ -	\$ -						\$ 272,077
Total Revenue & Contribution from General Fund	\$ 12,061,100	\$ 12,153,595	\$ 11,983,873	\$ 12,110,215	\$ 12,183,690	\$ 12,205,084	\$ 12,506,641	\$ 12,641,887	\$ 12,590,214	\$ 110,436,299
Total Expenditures	\$ (11,871,362)	\$ (12,211,883)	\$ (12,058,059)	\$ (12,003,354)	\$ (12,306,061)	\$ (12,211,513)	\$ (12,507,313)	\$ (12,676,539)	\$ (12,590,214)	\$ (110,436,299)
Total Ending Balance, June 30	\$ 189,738	\$ 131,450	\$ 57,264	\$ 164,125	\$ 41,754	\$ 35,325	\$ 34,652	\$ (1)	\$ (1)	\$ -

2020 Measure A Election

On March 3, 2020 Alameda voters approved a new Measure A parcel tax designed specifically to help retain and attract high-quality employees. The tax is expected to raise about \$10 million per year that will support an 8% raise for all AUSD employees. Measure A went into effect on July 1, 2020 and will sunset on June 30, 2027.

To facilitate oversight of the two parcel taxes, the Board of Education voted on October 27, 2020 to approve policy language that allows for:

- Combined oversight of the two parcel taxes
- Combined reports and presentations about the two parcel taxes

The board policies were discussed at an [October 15 Board Policy Subcommittee meeting](#) and ultimately approved at the [October 27 Board of Education meeting](#).

The Measure B1 Oversight Committee voted on November 18, 2020 to become an oversight committee for both parcel taxes. As such, beginning in January 2021, the committee will begin overseeing both programs.

More information about Measure A is available on AUSD's [Measure A web page](#). Information about the combined oversight committee is available [here](#).