

Agenda Item No.:	J.2.
Page:	1 of 30
Board Meeting Date:	11/12/14
Consent:	<u> </u> <u> X </u>
	Yes No

BOARD OF EDUCATION SUMMARY REPORT

DIVISION: Business Services

SUBMITTED BY: Lisa Grant-Dawson, Assistant Superintendent Business Services

SUBJECT: MEASURE G PARCEL TAX OVERSIGHT COMMITTEE ANNUAL REPORT

BOARD GOAL: Goal #1.2 – Provide safe, clean and modern facilities.

PURPOSE OF PRESENTATION:

To present for information to the Governing Board, the annual Measure G Parcel Tax Oversight Committee Report for 2013-14.

HISTORY/BACKGROUND:

The Measure Parcel Tax Committee consists of 11 members comprised as follows:

- Bertie Cooper – Senior Citizen
- Estella Santos – Association of California School Administrator (ACSA)
- Gurbakhash Bittikoffer – Hayward Education Association (HEA)
- Larry Ratto – Member at Large
- Nestor Paraiso – Parent/Guardian Secondary School
- Paula Wenner – Services Employees International Union (SEIU)
- Raylynn Gatchell – Association of Educational Office & Technical Employees (SEIU)
- Rhonda Leopold – Parent-Teacher Organization (PTO)/Parent Teacher Association(PTA)
- Sharon Caves – Faith Based Organization
- Vonnique Mitchell – Parent/Guardian Elementary School
- William Ward – Business Community

IMPLEMENTATION:

Effective January 1, 2001, Government Code Section 50075.1 required an accountability measure for local special taxes which includes but is not limited to an annual report pursuant to Section 50075.3 of the same code. Section 50075.3 states that the “Chief Fiscal Officer of the local agency shall file a report with its governing board no later than January 1, 2001 and at least once a year thereafter. The report shall contain the amount of funds collected and expended and the status of any project required or authorized to be funded as identified in 50075.1.

The Districts’ 2013-14 UnAudited Actuals Financial Report is the report reflecting the Measure G funds collected and expended and meets the requirements of Government Code Section 50075.3. This report was filed and presented to the Governing Board at its September 10, 2014 meeting. The purpose of this committee report is to present an overview of the projects, activities, and the use of the resources provided by Measure G throughout the District. The committee met on September 19, 2013, November 21, 2013, January 16, 2014, March 20, 2014,

May 15, 2014, and September 18, 2014. The District earns approximately \$2.2 million dollars in revenue from parcel tax proceeds.

RECOMMENDATION:

It is recommended that the Governing Board receive for information the First Annual Report for the Measure G Parcel Tax Oversight Committee.

Hayward Unified School District
Measure G Parcel Tax Oversight Committee Annual Report
November 2014

On June 5, 2012, the voters of Hayward passed a parcel tax labeled, Measure G. The measure required 2/3 of the supermajority vote and passed with over 71% voting in favor. The parcel tax is assessed to all eligible parcels at \$58/parcel. A Parcel Tax Citizen's Oversight Committee was included as part of the District's resolution to place measure G on the ballot. The purpose of the Committee is to provide oversight to Measure G spending to ensure that proceeds are properly spent according to the measure.

The ballot measure reads as follows: MEASURE G: "To protect critical education programs, with funds that cannot be taken by the State, including: math, reading, writing, and hands-on science classes/labs; enhancing library services, technology and college preparation programs; providing programs for all students to meet State academic standards; and attracting and retaining qualified teachers; shall Hayward Unified School District be authorized to levy \$58 per parcel annually, for five years, with an exemption for senior citizens, mandatory citizens' oversight and all money used for classrooms?"

The Committee shall engage in the following activities to carry out this purpose:

- Actively review and report on the proper expenditure of taxpayer's money for educational purposes;
- Advise the public as to whether the school district is in compliance with the adopted resolution; and Convene to provide oversight for, but not limited to:
- Ensure that parcel revenues are expended only for educational purposes at the school sites;
- On an annual basis review the expense reporting from the parcel tax program;

The Measure G Oversight Committee is comprised of 11 community members whose names and representative groups are as follows:

- Bertie Cooper – Senior Citizen
- Estella Santos – Association of California School Administrators (ACSA)
- Gurbakhash Bittikoffer – Hayward Education Association
- Larry Ratto – Member at Large
- Nestor Paraiso – Parent/Guardian Secondary School
- Paula Wenner – Service Employees International Union (SEIU)
- Raelynn Gatchell – Association of Educational Office and Technical Employee (AEOTE)
- Rhonda Leopold – Parent-Teacher Organization/Parent-Teacher Association

- Sharon Caves – Faith Based Organization
- Vonnique Mitchell – Parent/Guardian Elementary School
- William Ward – Business Community

The District's purpose for seeking a parcel tax was to help offset the reduction in educational proceeds during the state's economic crisis. Parcel Tax proceeds, unlike municipal bond revenue, has unrestricted spending provisions. Based on the District's needs, it was proposed by staff and accepted that the following strategic areas be supported by Measure G revenue:

- K-6 FTE to minimize redirects, combination classes, and overcrowding
- Elementary Library Program
- HS FTE to provide Secondary School Math support
- Secondary School Climate Support
- Support the Needs in High School Science Labs

The Committee met in November 2013, January, March, May and June 2014. In addition to the requirements regarding Measure G Expenditures, the Committee was also educated on the District's developing Local Control Accountability Plan (LCAP) and how funding from Measure G would continue to be used, as planned, to support the District's academic and student support needs. The Committee was also apprised that any aligned strategies included in the LCAP related to Measure G, would be identified, in addition to the funding from the Local Control Funding Formula (LCFF).

The Committee also reviewed the cumulative budget and expenses in each of the strategic areas. Though the meetings are hosted by the Business Services Division, the committee agendas commonly included reports and presentations from the Academic and Student Support Services divisions designed to discuss and educate the committee on the academic needs, effectiveness of spending, and critical areas of concern.

Major areas of spending for Measure G in the 2013-14 school year were the addition of 12 full time equivalent (FTE) teacher positions designed to reduce elementary combination classes and support increases in secondary staffing. The District's use of Measure G funds, in addition to other staffing strategies, was able to support a decline in combination classes over a three-year period. As presented to the Committee, in 2011-12 there were 114 Combination classes, 103 in 2012-13, and 79 in 2013-14. The Committee was also educated on the use of Measure G Funds to support Algebra Intervention, English Learner Academy, and Summer School Programs (March 2014).

During this meeting, the Dr. Matt Wayne shared the need to enhance the summer school academic program for credit recovery and to improve the reclassification rate for English Learner students. Due to the availability and alignment to the Measure G ballot language, the

Committee was apprised of the District's plan to revise the Measure G budget and use funds to support HUSD students through these programs.

In addition to program knowledge, academic data and financial review, the Committee decided to create a document (January 2014 meeting), titled *Measure G One Pager*, to help not only the Committee to answer common questions regarding Measure G, but also the community to summarily understand the role, purpose, and benefits of the parcel tax to the District. The Measure G One Pager is attached to this report in addition to the Measure G section of the District's website.

Another key document the Committee reviewed was the first Measure G Parcel Tax Report for 2012-13. This comprehensive report provided the Governing Board and Committee summative details regarding the cities profile, eligible parcels, senior exemption, and revenue received (January 2014 meeting). A copy of this report is included in this first annual report and is also posted on the District's website.

In 2013-14, Measure G parcel tax revenue was \$2.2 million and \$2.1 million in 2012-13. There was no spending in 2012-13 due to the timing of the receipt of the revenue and the District developing its plan and soliciting members for the oversight committee. In 2013-14, the District expended \$1.5 million dollars in the following strategic areas.

- FTE to minimize redirects, combination classes, and overcrowding - \$1,027,665
- Elementary Library Program - \$162,200
- HS FTE to provide Secondary School Math support – \$286,527
- Secondary School Climate Support - \$0
- Support the Needs in High School Science Labs - \$0
- Summer School – High School - \$6,556*
- Summer School – ELL Academy - \$18,780*

**It is important to note in this report that the summer school spending reported is only for the month of June 2014. The remaining Summer School expenditures, which are incurred in July and August, will be reported in the 2014-15 annual report.*

In September 2014, the Committee resumed its meeting cycle for the 2014-15 school year, and began learning the challenges, needs, and strategies for Measure G funds to be used in the areas School Climate. The results of the Measure G support in the summer school programs will also be provided to the Committee at its next meeting. The metrics and updates on current and developing strategies will be presented to the Governing Board and community in the second annual committee report at the conclusion of the 2014-15 school year.

Hayward Unified School District Measure G Parcel Tax - One Pager

On June 5, 2012, Hayward citizens voted positively to support a parcel tax,” Measure G”. The parcel tax revenues were designed to support reduced class sizes, improve core subject classes/labs, enhance college preparation programs, technology and library services, and support programs needed for students to meet State academic standards.

Q. What is a Parcel Tax?

A. A Parcel Tax is a “qualified special tax” imposed by a local Government, which required 2/3 approval by the voters to spend resources needed for any type of spending to include salaries and projects.

Q. How much does the parcel tax cost property tax owners annually?

A. The property tax rate is \$58/parcel.

Q. What is the estimated annual revenue Measure G generates?

A. In 2012-13, Measure G generated \$2.1MM in Revenue based on 38,349 parcels assessed. There are 42,351 parcels of which 4,002 parcels are exempt.

Q. What are the requirements for exemption for parcel taxes?

A. Property that is exempt for regular ad valorem property taxes are eligible for exemption. Property such as churches, publicly owned and government parcels are exempt from parcel taxes. Senior Citizens aged 65 years or older occupying a property as their principal residence may also apply for exemption on an annual basis.

Q. What is the composition of parcels in the city of Hayward subject to assessment?

A. Please see the attached chart with parcel demographics as of 2012-13 as referenced in the District’s Measure G Parcel Tax Report, compiled by SCI Consulting Group.

Land Use	Taxable Parcels	Percentage of Total Taxable Parcels
Single Family Residential	32,752	77%
Multi-Family Residential	2,432	6%
Commercial/Industrial	1,344	3%
Vacant	1,277	3%
Office	264	1%
Parking and Storage	217	1%
Institutional/Miscellaneous	23	0%
Golf Course	25	0%
Mobile Home Park	19	0%
Agricultural	7	0%
Exempt/Unassessable	3,991	9%
Total	42,351	100%

Q. What are the requirements of the “Measure G Parcel Tax Citizens’ Oversight Committee”?

A. The Committee shall:

1. Actively review and report appropriate expenditures
2. Advise and provide oversight regarding the districts compliance with the resolution and that funds used are for educational purposes.

Q. What is the composition of the “Measure G Parcel Tax Citizens’ Oversight Committee”?

A. There are 11 seats on the committee comprised of:

- One (1) member who is active in a business organization
- One (1) member who is active in a faith-based organization
- One (1) member who is a senior citizen
- One (1) member who represents the Hayward Education Association (HEA)
- One (1) member who represents the Association of Educational and Technical Employees (AEOTE)
- One (1) member who represents the Service Employees International Union (SEIU)
- One (1) member who represents the Association of California School Administrators
- One (1) member who is a parent/guardian of a child enrolled in a Hayward Unified elementary school

- One (1) member who is a parent/guardian of a child enrolled in a Hayward Unified secondary school
- One (1) member who is a parent/guardian of a child and active in a parent-teacher organization (PTO)
- One (1) member who is active in a bona fide taxpayers' organization



HAYWARD UNIFIED SCHOOL DISTRICT

MEASURE G PARCEL TAX

PARCEL TAX REPORT

FISCAL YEAR 2012-13

PURSUANT TO THE GOVERNMENT CODE SECTIONS 50075 AND
50079 OF THE CALIFORNIA CONSTITUTION

PARCEL TAX LEVY ADMINISTRATOR:

SCIConsultingGroup
4745 MANGELS BOULEVARD
FAIRFIELD, CALIFORNIA 94534
PHONE 707.430.4300
FAX 707.430.4319
www.sci-cg.com

HAYWARD UNIFIED SCHOOL DISTRICT

BOARD OF TRUSTEES

William McGee, President

Annette Walker, Vice President

Luis Reynoso, Clerk

John Taylor, Member

Lisa Brunner, Member

SUPERINTENDENT AND CEO

Stan Dobbs

PARCEL TAX LEVY ADMINISTRATOR

SCI Consulting Group

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EXECUTIVE SUMMARY

On June 5, 2012, registered voters in the Hayward Unified School District voted to support a proposed parcel tax measure ("Measure G") for the purpose of funding essential school programs including reduced class sizes, college preparation programs, and technology maintenance and library services. Voters approved the measure by a margin of 70.83% in favor of levying the parcel tax, beginning in Fiscal Year 2012-13, with no proposed expiration date.

The parcel tax revenues will be used to fund the following programs and services:

- Math, reading, writing, and hands-on science classes/labs;
- Enhancing library services, technology and college preparation programs;
- Providing programs for all students to meet State academic standards; and
- Attracting and retaining qualified teachers.

Pursuant to the Local Agency Parcel Tax and Bond Accountability Act (Government Code § 50075.3.), this Parcel Tax Report ("Report") summarizes the amount of funded collected and expended for fiscal year 2012-13, administrative procedures related to the parcel tax levies and exemptions and other important information.

For fiscal year 2012-13, there were 42,351 parcels in the Hayward Unified School District, of which 723 parcels qualified for an exemption, 3,279 were tax-exempt parcels and 38,349 were taxable parcels. Parcel tax revenue for fiscal year 2012-13 was \$2,224,242. The following tables summarize the parcel tax collections and expenditures for fiscal year 2012-13.

SUMMARY OF PARCEL TAX REVENUES BY YEAR

Figure 1 depicts the parcel tax amount levied on taxable parcels by fiscal year.

FIGURE 1 – SUMMARY OF MEASURE G REVENUES BY FISCAL YEAR

	Taxable Parcels	Senior Exempt Parcels	Tax Exempt Parcels	Total Parcels	Parcel Tax Revenue ¹
2012-13	38,349	723	3,279	42,351	\$2,224,242

¹ Parcel tax revenue does not include County collection charges.

The properties subject to the parcel tax for FY 2012-13, by parcel type, is summarized in Figure 2 below.

FIGURE 2 – SUMMARY OF MEASURE G BY PROPERTY TYPE

Land Use	Taxable Parcels	Percentage of Total Taxable Parcels
Single Family Residential	32,752	77%
Multi-Family Residential	2,432	6%
Commercial/Industrial	1,344	3%
Vacant	1,277	3%
Office	264	1%
Parking and Storage	217	1%
Institutional/Miscellaneous	23	0%
Golf Course	25	0%
Mobile Home Park	19	0%
Agricultural	7	0%
Exempt/Unassessable	3,991	9%
Total	42,351	100%

PARCEL TAX EXPENDITURES, FISCAL YEAR 2012-13

The parcel tax expenditures for fiscal year 2012-13 are summarized in Figure 3.

FIGURE 3 – MEASUREG EXPENDITURES FOR FY 2012-13

	2012-13 Projected Costs
Measure G Parcel Tax Projected Costs	
Fund Balance - Beginning	\$0
Parcel Tax Revenue*	\$2,119,561
Expenditures	\$0
Fund Balance - Ending	\$2,119,561

ADMINISTRATION OF SPECIAL TAXES

Specific details for the administration of the tax are included in the Measure G ballot. The following narrative provides an overview of the major elements of this administration.

GENERAL ADMINISTRATIVE REQUIREMENTS

The special tax levies are calculated for all parcels on the new fiscal year's assessor roll. This roll includes all parcels that are in existence prior to January 1 of the previous fiscal year. After the special tax levies have been computed, the levy data must be filed with the County Auditor prior to August 10 of each year for inclusion on property tax bills.

After submission of the parcel tax levies, the final levies should be confirmed with the County Auditor prior to the preparation of tax bills, which typically occurs in October. The special tax is collected in three installments.

BASIS OF TAX

The tax shall be levied on all Parcels of Taxable Real Property in the District, as defined below, on the following basis:

Not to exceed Fifty-Eight Dollars (\$58.00) per parcel.

"Parcel of Taxable Real Property" is defined as any unit of real property in the District that receives a separate tax bill for ad valorem property taxes from the Alameda County Treasurer-Tax Collector's Office, as applicable depending on parcel location. All property that is otherwise exempt from or upon which no ad valorem property taxes are levied in any year shall also be exempt from the special tax in such year.

If more than one adjacent Assessor parcel constitutes a single parcel under the Subdivision Map Act (California Government Code section 66410 et seq.), then the parcel will be treated as a single Parcel of Taxable Real Property for purposes of the amount of tax due, and a claim for refund may be made by the property owner pursuant to the claim procedures outline below.

TAX EXEMPT PROPERTY

Property that is exempt from regular ad valorem property taxation shall not be subject to the Special Tax. Examples of such parcels are churches, condominium complex common areas, and publicly owned or government parcels, as well as zero value parcels.

SENIOR CITIZEN EXEMPTION

An exemption shall be granted on any parcel owned by one or more persons aged 65 years or older who occupies the parcel as a principal residence, upon application for exemption. Applications for such exemptions must be made on or before June 30th of any succeeding assessment year (or the next regular business day thereafter). Senior

exemption forms will be made available at the District office, the District's website or through the parcel tax administrator.

Any senior citizen previously exempted from the parcel tax in the previous fiscal year is not be required to reapply for a new exemption so long as such applicant continues to qualify for the exemption.

Exhibit C is the Senior Citizen Exemption application for FY 2012-13.

USE OF PROCEEDS

All proceeds of the tax levied and imposed shall be accounted for and paid into a special account designated for use of specific programs and services defined by Measure G, pursuant to Government Code Section 50075.1(b) and (c).

Each year there will be a public accounting of the use of funds during the past year, as required by Government Code Section 50075.3, and approval of the use of funds for the next year, including review by the School Board.

APPEALS AND INTERPRETATIONS

Any property owner who feels that the special tax levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of Measure G, may file a written appeal with the Superintendent of the District or his or her designee. Any such appeal is limited to correction no later than June 30, 2013. Upon the filing of any such appeal, the Superintendent or his or her designee will promptly review the appeal and any information provided by the property owner. If the Superintendent or his or her designee finds that the special tax should be modified, the appropriate changes shall be made to the tax roll. If any such changes are approved after the tax roll has been filed with the County for collection, the Superintendent or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the Superintendent, or his or her designee, shall be referred to the District Board. The decision of the District Board shall be final.

EXHIBIT A - SPECIAL TAX ROLL (FY 2012-13)

The tax roll listing the fiscal year 2012-13 Parcel Tax for all Assessors' Parcels of land within the boundaries of the Hayward Unified School District ("District") is filed with the District. Each lot or parcel listed on the Tax Roll is shown and illustrated on the latest County Assessor records and these records are, by reference made part of this report. These records shall govern for all details concerning the description of the lots or parcels.

EXHIBIT B - SENIOR CITIZEN APPLICATION (FY 2012-13)

**HAYWARD UNIFIED SCHOOL DISTRICT**

24411 Amador Street, Hayward, CA 94544
(510) 784-2600 • www.husd.k12.ca.us/

**MEASURE G PARCEL TAX
SENIOR CITIZEN EXEMPTION APPLICATION
TAX YEAR 2012-2013**

Under the provisions of the Measure G Parcel Tax, those individual home owners who will be at least age 65 prior to July 1, 2012, or for each year where the home owner reaches age 65 prior to July 1 of that tax year, may request to be exempt from paying the \$58.00 per year parcel tax.

If you believe you qualify for this exemption, please complete and mail to application to the **Hayward Unified School District, Attn: Measure G Exemption, 24411 Amador Street, Hayward, CA 94544**, by June 29, 2012. All of the following information and documentation must be provided to receive the exemption.

Assessor's Parcel Number: _____

Property Owner's Name: _____

Street Address: _____

Phone: _____

Is the address your principal place of residence? YES ____ NO ____

Please attach a copy of proof of residence and birth date.

Ownership Verification

☐ Property Tax Bill

Residence Verification

☐ Utility Bill

Birth Date Verification

☐ Driver's License

☐ Medicare Card

☐ Birth Certificate

Under penalty of perjury, I hereby declare that this application for exemption and the accompanying verifications of residence and birth date are true and correct to the best of my knowledge.

Signature of Applicant

Date

If you have questions about this form, please call the Parcel Tax Administrator at (800) 273-5167.

Office Use Only:

Date Received _____

Ownership Verification _____

Residence Verification _____

Birth Date Verification _____

EXHIBIT C –SENIOR CITIZEN EXEMPTION (FY 2012-13)

A list of the parcels approved for a senior exemption for fiscal year 2012-13 has been filed with the District and is included herein by reference.

Hayward Unified School District

Measure G Oversight Committee Report Presented at the Governing Board Meeting November 12, 2014



Oversight Committee Profile, Role, and Responsibilities

- Committee is comprised of 11 members *
- Review and Report parcel tax expenditures
- Advise and provide oversight to district expenditures to ensure parcel tax proceeds are used for educational purposes
- File an annual report with the Governing Board no later than January effective 2013

* See First Annual Committee Report which lists member names and representative groups represented as required

Measure G Facts

- Measure G is a qualified “special tax” that is assessed on each eligible parcel
- Approved by the citizens of Hayward on June 5, 2012
 - Requires 2/3 vote for approval
- Each parcel is assessed \$58 for five years (2012-2016)
 - Exemption available for taxpayers 65 and older
- Annual Revenue - \$2.2MM, based on ~38,300 parcels

Purpose of Measure G

- ◆ Measure G was proposed to help the District alleviate the reductions in educational funding during the state's budget crisis and addressing critical academic needs.

Measure G Facts

FIGURE 2 – SUMMARY OF MEASURE G BY PROPERTY TYPE

Land Use	Taxable Parcels	Percentage of Total Taxable Parcels
Single Family Residential	32,752	77%
Multi-Family Residential	2,432	6%
Commercial/Industrial	1,344	3%
Vacant	1,277	3%
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Institutional/Miscellaneous	23	0%
Golf Course	25	0%
Mobile Home Park	19	0%
Agricultural	7	0%
Exempt/Unassessable	3,991	9%
Total	42,351	100%

Parcel Tax Senior Exemption

- Exemptions Requirements
 - Owner/Occupant must be age 65 or over
 - Occupies parcel as principal resident upon application for exemption
 - Application must be submitted on or before June 30th
- Application are not required to be renewed annually if the property was exempt the prior year and owner occupancy status has not changed

Purpose of Measure G

- Measure G was proposed to help the District alleviate the reductions in educational funding during the state's budget crisis
- Protect core educational programs (math, reading, and hands on science)
- Enhance library services, technology, and college prep programs
- Provide programs for students to meet state standards
- Attract and retain qualified teachers

Measure G Finance Summary

Parcel Tax Revenue

- 2012-13
- \$2.1 million
- 2013-14
- \$2.2 million

Parcel Tax Expense

- 2012-13
- \$0
- 2013-14
- \$1.5 million

2013-14 Spending Summary

- K-6 Redirects and Combos - \$1,027,665 – 12 FTE
- Elementary Library Support - \$162,200
- High School Math Support - \$286,527
- Summer School High School - \$6,556
- Summer School ELL Academy - \$18,780
- **99% Expenditures were spent on positions and salaries**
- **\$2.8 million dollars has carried over to the 2014-15 year**

Next Steps

- Measure G Committee presents and files its First Annual Report and posts on the Districts website
- Committee continues oversight and review of program plans for year two spending