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| Enactment Date                                  |           |

# Memo

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**To** Board of Education  
**From** Measure G Parcel Tax Independent Oversight Committee - Chairperson, Amy Golden

**Board Meeting Date**

**Subject** Approval by the Board of Education of the 2018-2019 Measure G Parcel Tax Independent Oversight Committee Annual Report.

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**Action Requested and Recommendation** Approval by the Board of Education of the 2018-2019 Measure G Parcel Tax Independent Oversight Committee Annual Report.

**Background** Measure G Committee’s annual report finds that: 1) none of the recommendations made by the Committee in 2017 have been implemented by the District; and 2) timely preparation of this report by the Committee is not possible because the District does not provide information to the outside auditor in a timely fashion.

**Competitively Bid**

**Fiscal Impact** Not applicable  
None

**Attachments** • 2018-2019 Measure G Parcel Tax Independent Oversight Committee Annual Report.

Oakland Unified School District

**Independent Citizens Oversight Committee Report**  
**Measure G Parcel Tax**

Visit: [trackg.org](http://trackg.org)

For the Year Ended on June 30, 2019



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# I. Introduction & Committee Purpose

## A. Legislative History

The voters of the city of Oakland passed the Measure G Parcel Tax on February 5, 2008. The Registrar of Voters for the County of Alameda, State of California certified the results of the election on February 29, 2008. The purpose and proceeds of the Measure G Parcel Tax are stipulated in the election Ballot language:

**Measure G:** *To attract and retain highly qualified teachers, maintain courses that help students qualify for college, maintain up-to-date textbooks and instructional materials, keep class sizes small, continue after-school academic programs, maintain school libraries, and provide programs, including arts and music, that enhance student achievement, shall Oakland Unified School District, without increasing the current rate, continue to levy its education special tax of \$195 per parcel, commencing July 1, 2009, exempting low-income taxpayers, and with all money benefiting Oakland schools.*

## B. Oversight Committee

The Measure G Oversight Committee ("Committee") was created on August 27, 2008 with Resolution No. 0809-0043. The purpose of the Committee is to review and annually report to the public on the expenditure of taxpayers' money generated by the Measure G parcel tax.

Specifically, the Committee shall:

- (1) Receive and review a report from the Superintendent no later than December 31<sup>st</sup> of each year that details: (1) the amount of Education Parcel Tax revenues received and expended in the prior year, including District reports and independent annual audit reports pertaining hereto; and (2) the status of any projects or descriptions of any program funded from proceeds of the tax.
- (2) Produce an annual report on expenditures during the preceding fiscal year for public distribution and distribution to the Board of Education not later than February 28<sup>th</sup> annually that communicates the Committee's finding as to whether tax proceeds are being spent for the purposes permitted by the Measure and recommendations, if any.

The Committee shall have the option to tour sites where Parcel Tax revenues are being expended.

In accordance with Oakland Unified School District Board Bylaw 9131:

Advisory and Oversight Committees Section 2: The Committee shall consist of seven (7) members, and shall possess expertise in or represent the following:

- One member shall be the parent or guardian of a child enrolled in the District;
- One member shall be both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization, such as the School Site Council or Parent Teacher Association;
- One member shall be a community member who does not currently have a child enrolled in the District;
- One member shall be a representative of the business community;
- At least two members shall have demonstrated financial expertise; and
- At least four members of the Committee shall be property owners in the City of Oakland.

A single individual may be appointed as a representative of more than one of the above categories, if applicable. The District shall seek to ensure the Committee is representative of the diversity of the District. The Board decides who represents these criteria.

## II. Active Committee Members

The Board of Education, pursuant to a requirement of Measure G, adopted Resolution No. 0809-0043, on August 27, 2008, established the seven (7) members Measure G Independent Citizens Oversight Committee. The Committee operates pursuant to said Resolution and adopted Board Bylaw 9131.

The Measure G Committee had two vacancies for the time period of this report. The Committee members were:

1. **John Baldo** (*Chairperson*): A community member who does not currently have a child enrolled in the District. February 1, 2015 – January 31, 2021.
2. **Daniel Bellino**: A community member who does not currently have a child enrolled in the District. February 1, 2015 – January 31, 2019.
3. **Sandy Carpenter-Stevenson** (*Secretary*): A community member who does not currently have a child enrolled in the District; a property owner in the District. February 1, 2014 - January 31, 2020.
4. **Amber Childress** (*Vice Chairperson*): A community member who does not have a child enrolled in the District; and a representative of the business community. February 24,

2016 – January 28, 2020.

5. **Amy Golden:** A parent or guardian of a child enrolled in the District. February 1, 2018- January 31, 2021.
6. **Bradley Mart:** Both a parent or guardian of a child enrolled in the District and active in a parent teacher organization; a representative of the business community; a property owner in Oakland; demonstrated financial expertise. February 1, 2014 – January 31, 2020.
7. **Reginald Mosley:** Both a parent or guardian of child enrolled in the District and active in a parent teacher organization. May 23, 2019 - January 31, 2022.

### III. Staff Liaisons To The Committee

#### Programmatic

|                     |                |
|---------------------|----------------|
| Dr. Sondra Aguilera | 2018 - Present |
|---------------------|----------------|

#### Finance / Budget

|                  |                     |
|------------------|---------------------|
| Leslie Tavernier | Oct 2017 - Apr 2018 |
| Gap              |                     |

**Note:** *It's been approximately one year since the Measure G Committee had a staff liaison in the budget / finance offices. The Committee does not feel that during this reporting period it received sufficient staff support to determine whether the funds are being spent in an effective manner.*

### IV. Summary Of Findings

| Area                     | Finding               | Trending                          |
|--------------------------|-----------------------|-----------------------------------|
| Appropriate Expenditures | <b>Unsatisfactory</b> | Staying the Same<br>Getting Worse |

|                                     |                           |                  |
|-------------------------------------|---------------------------|------------------|
| Reporting and Record Keeping        | Improving<br>Satisfactory | Improving        |
| Action On Committee Recommendations | <b>Unsatisfactory</b>     | Staying the Same |

## V. Appropriate Expenditures

|   |  |
|---|--|
| <b>Finding:</b> Unsatisfactory  | <b>Trend:</b> Getting Worse  |
| <p><b>Progress:</b></p> <p>Measure G spending on Music and Libraries increased slightly in 2018-19.</p> <p>Funds spent on Class Size Reduction decreased from \$6,399,636 to \$4,543,742.</p> | <p><b>Improvement Needed:</b></p> <p>After decreasing for the last 5 years spending on “Basic School Support” increased by more than \$3 million in 2018-19. This is contrary to the Measure G Committee’s recommendations in its last report.</p> <p>As stated in the 2017-18 report, the District has not shown a direct connection between “Basic School Support” and Measure G’s list of intended uses. In 2017-18, 23% of funds were spent in this category, in 2018-19 that rose to 37.7% . Measure G continues to be used to provide basic support to schools - teacher salaries- and not as a strategic supplement as it was intended. The District maintains that while “Basic School Support” is not named in Measure G’s language, it accomplishes the goals of “attracting and retaining qualified teachers” because the funds are used to pay teacher salaries. <b>The Measure G Committee asks that the Board require the District to draw a direct correlation between the Measure’s language and the use of these funds.</b> It is difficult to understand how salaries, which existed before this measure was passed, are the unique result of Measure G Funding and are “attracting and retaining” qualified</p> |



teachers. The Committee maintains that the purpose of these funds is not basic general ed funding, because if that were the purpose, it could have been clearly stated in the Measure, as written, it was not.

Class Size Reduction is a named goal of the Measure. While funding spent on Class Size Reduction decreased during this time period, the District has not demonstrated the remaining funds spent on Class Size Reduction measurably reduced class size.

**This issue was also raised in the 2017-18 Annual Report, and at several Committee meetings in 2019-2020.** The Committee asks the Board to direct the District to provide an analysis of these funds' impact on class size reduction with separate analysis for general ed and special day classrooms, which as a whole have lower teacher to student ratios. Given the shift in numbers from 2017-18 to 2018-19, it is apparent that funds previously spent on Class Size Reduction were merely shifted to Basic School Support, an area that the Committee considers to be not one of Measure G's intended uses. **The Measure G Committee would like to know if Class Size Reduction funding overall remained constant from 2017-18 to 2018-19 and funds from other sources were used to keep it at the same level, or if Class Size Reduction was deprioritized by the District. The last time the Committee received data on this program, the impact of the use of Measure G funds on class size was negligible, with a reduction of less than one student per classroom. If that has not changed, the Committee recommends this is not the best use of these funds.**

|  |  |
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|  | <p>Libraries -- the District changed the method for funding libraries in the last year, allowing schools to spend money on a variety of items even if no library or librarian was located at a school site. <b>No information was presented to the Committee regarding how these expenditures were tracked, what the funds were spent on, and whether those expenditures resulted in students having access to library programming and services.</b></p> <p>In 2017-18 the District added a new spending category "HR Operations." The District did not inform the Committee why this category was created. The Committee would note that human resources in general is not mentioned in Measure G, but acknowledges that money spent to "attract and retain" could include recruitment, but "operations" does not logically fall into that category.</p> <p>"Other programs/local goals" -- the Committee received no information about how this money was spent or the efficacy of the programs.</p> |
|--|--|

*Overall: The Committee was unable to provide adequate oversight during this time period due to inadequate reporting by the District. The Committee is asked to provide oversight but cannot fulfill that obligation without greater cooperation from the District. **We are asking the Board to direct the District to assign appropriate staff from the departments that track data to report to the Committee regularly and proactively report on the programming funded by Measure G and respond to the Committee's inquiries. It does not serve the Board or the public to have reporting from an Oversight Committee that can do nothing more than confirm that the funds were spent.***

| <b>Spending By Program</b>                       | <b>2018-19</b>      | <b>2017-18</b> |
|--|---------------------|----------------|
| Basic School Support                             | \$7,794,007         | \$4,634,056    |
| Class Size Reduction                             | \$4,543,742         | \$6,399,636    |
| Elementary Education Intervention Program (EEIP) | \$4,053,143         | \$4,872,862    |
| School Libraries                                 | \$1,637,804         | \$1,592,704    |
| Music  | \$1,010,101         | \$1,049,806    |
| HR Operations                                    | \$542,192           | 0              |
| Art  | \$414,352           | \$475,229      |
| Other Programs / Local Goals                     | \$346,074           | \$337,762      |
| HR Recruitment                                   | \$270,990           | \$936,634      |
| Oakland Fine Arts Summer School                  | \$61,121            | \$76,118       |
| Effective Educator Systems Initiative            | 0                   | \$48,258       |
| <b>Grand Total</b>                               | <b>\$20,673,526</b> |                |

## Explore further at trackg.org

Visit trackg.org for more detailed information like spending by school and historical spending across the last 7 fiscal years.

**Track G - Oakland's Measure G** [About](#) [By Location](#) [By Program](#) [By School](#) [Twitter](#) [Facebook](#)

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**ROOSEVELT MIDDLE**  
1926 19TH AVE. OAKLAND, CA 94606

|   |   |  |
|---|---|--|
| <p>MEASURE G SPENDING<br/><b>\$ 119,568</b></p> | <p>PER STUDENT<br/><b>\$ 227.32</b></p> | <p>NUMBER OF STUDENTS<br/><b>526</b></p> <p><small>Note: enrollment from 2014-15</small></p> |
|---|---|--|

## VI. Reporting and Record Keeping

|   |  |
|---|--|
| <p><b>Finding:</b> Satisfactory</p>   | <p><b>Trend:</b> Improving</p>   |
| <p><b>Progress:</b></p> <p>The auditor found that the district produced all artifacts requested, up from 68 of 108 the previous year.</p> | <p><b>Improvement Needed:</b></p> <p>The Measure G Committee is tasked with preparing an annual report and presenting it to the Superintendent by December 31st.</p> <p>The audit is required in order for the Committee to prepare its report.</p> <p>The draft audit report was not provided to the committee until March 2020. The auditor reported that no staff were available to assist in preparing the report in a timely manner, but that he believes this will improve because the District has hired a new CBO.</p> <p>While the Committee appreciates the auditor’s optimism, the Committee notes that the audit was received after December 31st in 2018 and 2019 as well. The District’s failure to comply with the auditor’s requests in a timely manner makes it impossible for the Committee to fulfill its obligations in a timely manner, and suggests the District does not prioritize its obligations under Measure G. <b>The Committee requests that the Board require the District to respond to the auditor in a timely fashion for the 2019-2020 fiscal year.</b></p> |

## VII. Action On Committee Recommendations

Read the full report at: [report.trackg.org](http://report.trackg.org)

| <b>Finding:</b> Unsatisfactory  | <b>Trend:</b> Staying the same   |
|---|--|
| <p><b>Progress:</b> Dr. Aguilera has been refreshingly clear and transparent about the current state of Measure G:</p> <ul style="list-style-type: none"> <li>● Most of the funds are spent as part of school site base allocations (general ed teacher salaries and benefits).</li> <li>● Because of this, the district does not have the flexibility to spend more funds on programs like Arts, Libraries, and Music. We simply roll over the budget allocations from the previous year rather than making strategic decisions or adjustments. (Zero-based budgeting isn't possible)</li> </ul> <p>We appreciate Dr. Aguilera's transparency. It creates trust and serves as a strong foundation for collaboration.</p> | <p><b>Improvement Needed:</b> Despite acknowledgement that Measure G funds are currently used to supplement the District's base allocations rather than supplanting the budget, none of the Committee's recommendations have been acted on in the last year. It has been over 3 years since the recommendations were made in Feb 2017.</p> <p><b>The Committee requests that the Board <del>to</del> formally support our recommendations and direct the District to act on them or respond with its own plan.</b></p> <p>Specifically, we ask the Board to take a stance on whether it sees Measure G as a restricted, supplemental resource to ensure programs like Arts, Libraries, and Music are sustainably funded or simply an extension of the general fund to be spent on base allocations. Unfortunately, the law is ambiguous on this point.</p> <p>These prioritized requests were made in a letter to Dr. Aguilera on Nov 18, 2019:</p> <ol style="list-style-type: none"> <li>1. Present a multi-year timeline with milestones for getting Measure G to a state where allocations can be strategically determined and set on a regular interval (currently: annually) and not just roll over from one cycle to the next. (A 4 year timeline was suggested in our letter)</li> </ol> |

|  |   |
|--|---|
|  | <p>2. In preparation for this allocation flexibility, present a new, transparent process for allocating Measure G funds each budget cycle. The Committee has recommended several options.</p> <p>The full letter is attached.</p> |
|--|---|

*Summary on on the next page*

Read the full report at: [report.trackg.org](http://report.trackg.org)

|    | Recommendations  | Action ? |
|----|--|----------|
|    | <i>Transparency Needed: Allocation Process Is Not Clear</i>  |          |
| 1  | Adopt a clear process for allocating Measure G funds.  | ✗        |
| 2  | Publish that process so that the public is aware of it.  | ✗        |
| 3  | Adjust the process over time with community input and program assessment to maximize transparency and impact.  | ✗        |
|    | <i>Impact Strategy Is Not Clear</i>  |          |
| 4  | During the budget development process, publish an allocating strategy for Measure G funds along with a rationale and a way to assess that strategy. Present the plan to the Measure G Committee. | ✗        |
| 5  | Adjust the strategy over time to maximize impact and take schools' needs into account.   | ✗        |
| 6  | Consider Measure G in context with other Measures (G1, N) and consider pooling resources (within the scope of the law) to increase impact and process efficiency.                                | ✗        |
|    | <i>Better Collaboration Is Needed Between Sites and Central</i>  |          |
| 7  | Develop a Measure G allocation and evaluation process which values the site leader's time and knowledge of their community's needs while also holding them accountable.                          | ✗        |
| 8  | Consider consolidating or reusing existing, well-functioning processes for accessing funds rather than creating new ones which require more time from school leaders.                            | ✗        |
|    | <i>Allocations Are Not Consistent Or Predictable</i>   |          |
| 9  | When acting on the findings and recommendations in this report, make consistency and predictability a top priority.  | ✗        |
|    | <i>Measure G Is Not Considered A Restricted Resource</i>   |          |
| 10 | Reclassify Measure G as a restricted resource as part of the transition to the new Escape financial management system.   | ✓        |

11/18/2019

Dr. Aguilera,

Thank you for the presentation and discussion at our last two meetings. We really appreciate your time and your candor.

**I want to clarify our #1 ask as a Committee.** Most of our outstanding recommendations require flexibility in how Measure G funds can be allocated, and that flexibility doesn't exist today.

So we would like to work backwards from this goal:

- Measure G allocations can be strategically determined and set on a regular interval (currently: annually) and not just roll over from one cycle to the next.

We're requesting a plan, including a timeline with milestones, for reaching this goal flexible and strategic Measure G allocations.

Here is our suggestion for a 4 year gradual plan. "Flexible Allocation" means money not spent on base allocation obligations to school sites through programs like Class Size Reduction, Basic School School Support, or Elementary Intervention since these are contract obligations and not strategic, supplemental spending.

| Budget Year | Flexible Allocation  |
|-------------|----------------------|
| 2020-21     | 25% (~\$5 million)   |
| 2021-22     | 50% (~\$10 million)  |
| 2022-23     | 75% (~\$15 million)  |
| 2023-24     | 100% (~\$20 million) |

Please include any action items that your team, finance staff, or even the Committee may need to take in order to reach the first milestone.

These are hard for us to predict, but perhaps:

- Communicating the plan to cabinet leadership, the Board, and our finance department
- Asking the Board to adopt this plan a Board policy
- Instructional and financial leadership submitting a list of items which will no longer receive Measure G allocation in 2020-21 in order to reach the 25% milestone next year.
- Allocating at least 25% of Measure G to instructional programs outside of a base site allocations in the 2020-21 budget development process



**Our #2 request:** when we presented to the Board's budget and finance subcommittee, we suggested a new process for Measure G allocation. Can you respond with one of the following?

- Timeline for implementing this process
- Alternate process, reasons for choosing that process, and a timeline for implementing it

We will need a new, transparent process for allocating these flexible dollars since we will no longer be rolling over allocations from year to year. More details are in our original report, but this process should be transparent, strategic, and allow for consistent and predictable allocations.

Thank you, again.

John Baldo