

Oakland Unified School District

Independent Citizens Oversight Committee Report
Measure G Parcel Tax

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For the Year Ended on June 30, 2018

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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 31st 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 28th 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, 2017 (1st term)
2. **Daniel Bellino**: A community member who does not currently have a child enrolled in the District. February 1, 2015 – January 31, 2017 (1st term).
3. **Sandy Carpenter-Stevenson**: 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, 2018 (2nd term).
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 1,

2016 – January 31, 2018. (1st term)

5. **Amy Golden:** A parent or guardian of child enrolled in the District. March 1, 2018- January 31, 2020 (1st term).
6. **Bradley Mart:** Both a parent or guardian of 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, 2018 (2nd term)

III. Staff Liaisons To The Committee

Programmatic

There was no programmatic staff liaison to the Committee during this period and no programmatic updates.

Finance / Budget

Marla Williams	Sept 2017 - Apr 2018
<i>Gap</i>	
Ryannhon Ngyuen	Sept 2018 - Oct 2018

IV. Summary Of Findings

Area	Finding	Trending
Appropriate Expenditures	Unsatisfactory	Improving
Reporting and Record Keeping	Unsatisfactory	Improving
Action On Committee Recommendations	Unsatisfactory	Improving

V. Appropriate Expenditures

<p>Finding: Unsatisfactory</p>	<p>Trend: Improving</p>
<p>Progress:</p> <p>The “Basic School Support” category of spending has decreased every year for the last 5 years.</p> <p>Measure G spending on Music increased from \$300k in 2016-17 to \$1 million in 2017-18.</p> <p>Measure G funding on Libraries increased from \$985,339 in 2016-17 to \$1,592,704 in 2017-18.</p>	<p>Improvement Needed:</p> <p>There isn’t a direct connection between “Basic School Support” and Measure G’s list of intended uses. About \$4.6 million or 23% of funds were spent in this category. This highlights that Measure G is used to provide basic supports to schools and not as a strategic supplement as it was intended.</p> <p>Although an expectation has been set that Measure G funds will not be used for administration, some funds are spent at the central office. This includes faculty who are hired centrally even though they work at school sites. The Measure G Committee has heard concerns from community members about this and plans to investigate in the coming year.</p> <p>To date, the District has not demonstrated funds spent on Class Size Reduction measurably reduces class size. This is particularly concerning given that Measure G funding on Class Size Reduction increased from \$4,848,778 to \$6,399,636.</p>

Spending By Program

Art	\$475,229
Basic School Support	\$4,634,056
Class Size Reduction	\$6,399,636
Elementary Education Intervention Program (EEIP)	\$4,872,862
Effective Educator Systems Initiative	\$48,258
HR & Recruitment	\$936,634
Music	\$1,049,806
Oakland Fine Arts Summer School	\$76,118
OTH Programs / Local Goals	\$337,762
School Libraries	\$1,592,704
Grand Total	\$20,423,067

Explore further at trackg.org

Visit trackg.org for more detailed information like spending by school and historical spending across the last 6 fiscal years.

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ROOSEVELT MIDDLE

1926 19TH AVE, OAKLAND, CA 94606

MEASURE G SPENDING

\$ 119,568


PER STUDENT

\$ 227.32

NUMBER OF STUDENTS

526

Note: enrollment from 2014-15



VI. Reporting and Record Keeping

<p>Finding: Unsatisfactory</p>	<p>Trend: Improving</p>
<p>Progress:</p> <p>The audit report was an improvement from previous year. The district produced 68 of 105 artifacts requested, up from 0 of 80 in the previous year.</p>	<p>Improvement Needed:</p> <p>The district did not produce 33 of 85 artifacts which verify certain employees' roles within the district. Without that documentation, it is impossible to verify that the positions are consistent with Measure G programs. For example, In the past, funds designated for library use have been used for other purposes. Without clearer documentation, neither the auditor nor the Committee can guarantee that the funds are being spent as intended. The auditor concluded that this a failure of compliance policy and recommended that the district:</p> <ul style="list-style-type: none"> - Designate specific people to approve Measure G expenses - Document procedures so they are not lost when employees leave - Develop a document retention policy so that documents are available for audit <p>3 of 40 sampled tax exemption applications were found to be incomplete.</p> <p><i>The auditor noted in his presentation to the Committee that a Qualified Opinion raises a serious concern, and in a district that was not facing so many budgetary problems, it would raise significant concerns. The Committee maintains that OUSD should not be judged on a curve, and should be held to the same standard as all school districts.</i></p>

The district needs to improve its procedures in order to fully comply with the law and to respond to audit requests in a timely manner.

VII. Action On Committee Recommendations

In February 2017, the Committee approved a report with a list of recommendations for improving Measure G's allocations process. The report was then presented to the full Board of Directors and the Budget Subcommittee. Since then, Measure G has been redesignated as a restricted resource but the Committee has not seen action or alternate proposals for any other recommendations. Read the full report at: report.trackg.org

Summary on on the next page

	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.	✓

VIII. Special Note On School Library Funding Allocations

In 2017-18, Measure G spending on libraries increased by \$345,961 over 2016-17 spending. As noted above, this is consistent with the Committee's recommendation that more money should be directed towards libraries and less towards Basic School Support and Class Size Reduction. Three committee members visited the library at Emerson Elementary on April 30, 2018. In September 2016, the library at Emerson was resuscitated using Measure G funds to hire a part time librarian (.5 FTE) and update the collection. In 2017-18, the librarian's hours were increased to .75 FTE, again using Measure G funds. Committee members learned that 2,654 books were circulated in 2015-16, when Emerson did not have a librarian. Circulation increased to 11,330 books in 2016-17 when the librarian was on staff .5 time. And as of our visit in April, circulation for 2017-18, was at 11,435 books with 6 weeks remaining in the term.

Even though there were only 6 weeks remaining in the school year at the time of the visit, the librarian informed Committee Members she did not know if her position would be funded for the next year because the Measure G funds had not yet been allocated for 2017-18. Funding uncertainty makes it difficult for schools to maintain qualified personnel. The Committee recommends that funds be allocated earlier in the budgeting process, and that programs be funded for a period of 3 years so that principals can be ensured that investments in programs will be sustained.