

Report of the Orinda Union School District Parcel Tax Independent Citizens' Oversight Committee

December 11, 2012

The Parcel Tax Citizens' Independent Oversight Committee ("the Committee") has met twice, on June 1, 2012, and on December 11, 2012. The Committee was appointed by the Orinda Union School District (OUSD) Board of Trustees on December 11, 2011, "to ensure that the parcel tax proceeds are spent for their authorized purpose and to report annually to the Orinda Union School District Board of Trustees at a public meeting regarding the expenditure of such funds."

The Committee consists of five citizens of Orinda who have no fiscal or contractual relationship with OUSD, and who have varied backgrounds in law, finance, business, and medicine.

During the Committee's meetings, the following documents and information were reviewed:

- Committee bylaws as established by the OUSD Board of Trustees
- Minutes of the OUSD Board of Trustees meeting of December 11, 2011 establishing the Committee
- OUSD Board Resolution 03-07 calling for the March 4, 2003 parcel tax (Measure A)
- OUSD Board Resolution 09-06 calling for the March 3, 2009 parcel tax (Measure B)
- OUSD Budget report for the fiscal year 2011-2012
- OUSD Tentative budget report for the fiscal year 2012-2013
- Parcel tax-related excerpts from the Independent Audit Report for OUSD, provided by Stephen Roatch Accountancy Corporation, for the fiscal years 2010-2011 and 2011-2012

The Committee also heard an overview of Brown Act requirements and procedures from Dr. Joe Jaconette, OUSD Superintendent. He and Loreen Farrell, OUSD Chief Business Officer, were also available to the Committee to answer questions and provide financial information as needed.

The Committee took public comments at the first meeting. No members of the public attended the second meeting.

The findings of the Committee are as follows:

- The parcel tax funds are being appropriately accounted for by OUSD in accordance with fund accounting principles used by governmental entities, as required by the Governmental Accounting Standards Board. Parcel tax monies are tracked in a separate parcel tax fund, and Measure A and B funds are separately tracked within that fund.
- The parcel tax funds have been used solely for the purposes described in both Measure A and Measure B parcel tax ballot language (see ballot language of both parcel taxes, below). Tax revenues in the 2011-2012 school year were used for certificated teacher salaries and state-

mandated benefits, and a small amount was used for literacy staff development training (writing and reading instruction) for teachers. Certificated teachers are those who hold a state-issued teaching certificate. OUSD expects to use 2012-2013 parcel tax revenues solely for certificated teacher salaries and state-mandated benefits, with no other uses.

- For the fiscal year 2011-2012, OUSD's revenues totaled \$25,686,721. Parcel tax funding for that year was \$3,681,226, or 14% of the total budget. Parcel tax funds generally are paying 30% of the following budget categories: classroom teachers and their state-mandated benefits, special education teachers and their state-mandated benefits, and literacy teachers and their state-mandated benefits.
- OUSD's auditor, Stephen Roatch Accountancy Corporation, reviews revenues and expenditures from the parcel tax fund during its annual audit, and provided a schedule of such expenditures and a note to the financial statements, concluding that the parcel tax funds were used for the purposes stated in the parcel tax measures.
- The Committee therefore finds that OUSD has spent the parcel tax proceeds, from both Measure A and Measure B taxes, as required by law. Additionally, the Committee recognizes the significant and positive contribution the parcel tax proceeds have had in maintaining small class sizes for grades K through 8. The Committee strongly recommends that the OUSD Board of Trustees continue to work with the Educational Foundation of Orinda and all Parents' Clubs to highlight the impact of all supplemental community funding on the continued high quality of Orinda schools. The Committee members are prepared to assist in this communication effort, as needed.

The Committee recommends that OUSD take the following actions:

- Publicize the purposes for which the parcel tax is being used. As noted above, the parcel tax is paying for 30% of certificated teacher salaries and state-mandated benefits. This is obviously vital to maintaining OUSD's excellent schools and to providing the quality education to Orinda students that the community enjoys and expects.
- This publicity should be published to the entire Orinda community, including all taxpayers and parents. It should carry the message that Orinda's tax dollars are being spent in an efficient, focused manner that is vital to Orinda's students and schools.
- OUSD should make a strong effort to provide this information not only through its own newsletter and school newsletters, but also through community resources such as The Orinda News, Lamorinda Weekly, and Contra Costa Times.

This report is provided to the OUSD Board of Trustees by the undersigned Committee members, December 11, 2012.



Tim Arndt



Linda Landau, chair



Shauna Simmonds



Dean C. Burnick



Michael Robinson

Language of Measure A parcel tax, passed March 4, 2003:

"To provide secure local funding for Orinda's K-8 schools, including to maintain small class sizes and neighborhood schools; to protect classroom programs, strong core academics, libraries, computer instruction, and literacy support; and to hire and retain qualified teachers; shall Orinda Union School District be authorized to replace its existing instructional parcel tax with a levy of three hundred eighty-five dollars per year per taxable parcel, with an annual independent audit and an exemption for eligible low-income seniors?"

This measure passed with 75% of the vote.

Language of Measure B parcel tax, passed March 3, 2009:

"To provide secure local funding for all Orinda K-8 students; reduce the impact of state budget cuts; maintain small class sizes and neighborhood schools; attract and retain skilled, qualified teachers with competitive compensation and training; and protect classroom programs and strong core academics, shall the Orinda Union School District be authorized to levy a parcel tax of \$124 per year per parcel, with citizen oversight, no funds used for administrators' salaries, and every dollar staying in Orinda Union School District schools?"

This measure passed with 71% of the vote.