

## Measure A Staff Annual Report 2012-2013

### Introduction

Schools in California rely on the State for the vast majority of their revenue. Unfortunately, the state suffered a fiscal crisis – one entailing billions of dollars in budget deficits – between 2007 and 2012. Due to cuts made by the state to education funding during this time, AUSD lost more than 20% of its “unrestricted” funding and about 20% of its “categorical” (or “restricted”) funding.<sup>1</sup> At the same time, the State began delaying its payments to school districts. These “deferrals” amounted to billions of dollars to school districts across the state, including millions of dollars to AUSD alone, making timely payments of bills difficult and forcing AUSD, like many districts, to take out short-term loans to cover their obligations.

In the face of these massive cuts, AUSD sought solutions on both the expenditure and revenue side. First, it made millions of dollars in spending cuts over the years (including adopting a budget for 2010-2011 that included \$7 million dollars in cuts). Second, the district and community raised critical local revenues through the passage of Measure A in March 2011. This parcel tax was not designed to completely fill the huge gap in state funding, since that would have necessitated a significantly larger parcel tax. Rather, Measure A was designed to raise sufficient funds locally to protect us from the full impact of the State’s cuts to education and preserve Alameda’s core educational values and programs.

Despite ongoing uncertainties over how California will fund public education for school districts (including, this year, uncertainty around the impact and requirements of the new Local Control Funding Formula), we are grateful that Measure A has enabled AUSD to weather the fiscal storm of recent years. In 2011-12, 2012-13, and 2013-14, we have had a solid three-year budget in place that does not include the the furloughs or pay cuts so many other districts in California have had to enact. As a result, AUSD has been able to continue to build on the strong foundation we have in place and continue the critical work we are all here to do: improving educational opportunities and changing the lives of young people for the better each day.

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<sup>1</sup> School districts can spend “unrestricted” or “general purpose” state funds as the districts see fit. “Restricted” funds come earmarked by the state for special programs or purposes, such as special education and class size reduction.

Specifically: Measure A has:

- **Protected key programs** many other districts have been forced to cut (such as 25:1 in K-3 classrooms, enrichment programs in music and art, counseling and student support services, as well as elementary P.E. and high school athletic opportunities);
- **Enabled the launch of innovative programs and magnet schools** that teachers and staff have worked hard to build the past several years in AUSD, including the opening of the new Maya Lin School last fall and the launch of Jr. Jets this fall;
- **Provided resources to improve instruction** for all students, both through our K-12 math initiative and by increasing the number of teachers trained and participating in SIM and IBD at the secondary level; and
- **Protected other core values**, including: maintaining neighborhood elementary schools; investing in technology and technology services; restoring school days that had been lost to furloughs; maintaining adult education programs; and providing funds to help attract and retain teachers by maintaining the current AEA salary schedule and preventing pay cuts.

Thank you to the community of Alameda for your support. Thank you also to the citizens who volunteered to serve on the 2012-13 Measure A Oversight Committee: Anne DeBardeleben, David Hart, Steve Mack, Courtney Shepler, Brian Strong, James Pruitt, Roxanne Clement, Sharine Thenard, Nilo Garcia, Christine Strena, and Seamus Wilmot. Through an iterative, public process, staff has prepared interim reports, supported discussion, answered questions, and listened to and incorporated suggestions by the Committee as it has reviewed and evaluated our implementation of Measure A. The committee members' expertise, professionalism, and candor in this second year of Measure A resulted in substantial improvements in our implementation and reporting of the parcel tax.

### **Background: Recent Meetings and Reports on Measure A:**

AUSD Board Policy 3221 (Parcel Tax Funds) requires three reports annually on Measure A:

*“The Superintendent or his/her designee shall provide at least three annual reports for the duration of the Measure: a report recommending expenditures for the next fiscal year before adoption of the District’s annual budget; at least one report concurrently with State-required interim reports; and an annual report on Measure A (“Annual Report”). The Annual Report will be organized to clearly display the revenues generated by the Measure, the expenditures of the revenues and how they relate to the purposes of the Measure and the status of the projects funded by the Measure.”*

For the 2012-13 year the reports presented to the Board were:

October 9, 2012: The Superintendent presented the Board with her recommendations for Measure A Oversight Committee for 2012-13. The Board approved those recommendations.

January 31, 2013: District staff presented the Measure A 2012-13 Oversight Committee Staff Report to the Board of Education.

April 23, 2013: District staff presented an informational update on the 2012-2013 implementation of Measure A to the Board of Education, as well as recommendations for allocations of the parcel tax funds for 2013-14.

June 25, 2013: The Board approved those recommendations as part of the 2013-14 budget.

In addition, the Measure A Oversight Committee for 2012-13 met in open, noticed, public meetings on January 31, 2013; April 18, 2013; September 26, 2013; November 7, 2013; and December 5, 2013.

## 2012-13 Measure A Allocations and Expenditures

Specific % allocations for Measure A expenditure categories set in the ballot measure are shown below. **The numbers show that the % allocations in the adopted budget match the % specified in the ballot measure.** Actual revenue spent per category is also shown.

Item #	Expenditure Category	Percent Allocated	Percent Spent	Actual Expenditure
1	Small Class Sizes K-3 <ul style="list-style-type: none"> <li>Maintaining K-3 classes at 25:1</li> </ul>	13-14%	13%	\$1,560,000
2	Neighborhood Elementary Schools <ul style="list-style-type: none"> <li>Maintaining Franklin, Otis, and Washington (11 FTE<sup>2</sup>)</li> <li>Planning for one magnet school</li> </ul>	7-8%	8%	\$885,283 \$21,305
3	Secondary School Choice Initiative and AP Courses <ul style="list-style-type: none"> <li>EHS 1.6 FTE</li> <li>AHS 1.8 FTE</li> <li>ASTI 2 FTE</li> <li>Island 4 FTE</li> </ul>	7-8%	7%	\$808,934
4	Programs to Close Achievement Gap <ul style="list-style-type: none"> <li>JROTC</li> <li>Partial Math Initiative</li> <li>Partial IBD<sup>3</sup> Initiative</li> <li>Restore 5 AEA days</li> <li>Partial SIM<sup>4</sup> Initiative</li> </ul>	15-16%	16%	\$81,282 \$372,004 \$243,292 \$1,106,702 \$83,860
5	High School Athletics Programs <ul style="list-style-type: none"> <li>Coach stipends</li> <li>Athletic supplies</li> <li>Outside services</li> </ul>	4%	4%	\$500,928
6	Enrichment Programs <ul style="list-style-type: none"> <li>Elementary Music, PE, and Media Centers</li> <li>Middle Schools – 4 Fine Art Sections</li> <li>High Schools – 10 Fine Art Sections</li> </ul>	9-10%	9%	\$824,703 \$75,601 \$203,789
7	Attract and Retain Excellent Teachers <ul style="list-style-type: none"> <li>Maintenance of Current AEA Salary Schedule</li> </ul>	25-26%	26%	\$3,120,00
8	Counseling and Student Support Services <ul style="list-style-type: none"> <li>Counselors: 8 FTE</li> <li>College Career Techs: .8FTE</li> </ul>	6%	6%	\$675,361 \$36,755
9	Alameda Charter Students	3-4%	3%	\$355,200
10	Technology <ul style="list-style-type: none"> <li>Equipment</li> <li>3.5 FTE</li> </ul>	5%	5%	\$327,148 \$254,097 <sup>5</sup>
11	Adult Education	4%	4%	\$480,000
	<b>Subtotal</b>			\$12,211,883
12	Accountability and Fiscal Transparency Parcel Tax Administration	1.5-2%	1%	\$138,707
	<b>Total</b>			\$12,350,590

<sup>2</sup> FTE: Full Time Employees

<sup>3</sup> IBD: Inquiry By Design (an English Language Arts program)

<sup>4</sup> SIM: Strategic Instructional Model (a mathematics program)

<sup>5</sup> Due to carryover funds from 2011-2012, the Technology Department had access to \$712,000. The department spent \$581,000; the remaining \$131,000 was carried forward to 2013-14.

## **Measure A Revenues 2012-2013**

The actual amount of parcel tax revenue received in 2012-13 was slightly less than predicted. Specifically, in June 2012, when the Board adopted its 2012-13 budget (including specific allocations for Measure A for that year), based on the then-current County data, the District projected that in 2012-13 Measure A would generate revenues of \$12,164,400. This revenue projection was reduced to \$11,939,996 through the year.

At the time of unaudited actuals (“closing of the books”) in September 2013, the actual revenues from Measure A for 2012-13 were \$11,881,518 consisting of \$ 11,847,102 plus \$34,416 in separate manually billed assessments for possessory interests on government property. (The increase in possessory interest revenue over 2011-2012 was due to the fact that Alameda Theatre paid both its 2011-2012 and 2012-13 bill.)

In order to keep whole the allocations budgeted for each expenditure category of Measure A, the District contributed \$272,077 of 2012-13 funds from the general fund balance. General fund monies that were not used for other allocations were returned to the general fund. The only category in which unspent 2011-12 parcel tax funds were carried over into 2012-13 was Technology, due to the facts that a) the department received categorical funds from the State that needed to be used first; and b) the department wanted to save its parcel tax funds to use on larger expenditures. \$112,696 was carried over into 2012-13.

For subsequent years of Measure A, staff intends to recommend that dollar amounts continue to be budgeted and allocated for Measure A as closely as possible to actual (but still within the percentages mandated by the measure), based on what we learned in 2011-12 and 2012-13.

## **Measure A Expenditures 2012-13**

### ***(1) Small Class Sizes in K-3***

*Amount allocated in Measure A: 13-14% of parcel tax revenues*

*Amount spent in 2012-13: 13%*

According to Measure A, funds shall be dedicated to “*maintaining manageable elementary class sizes with student to teacher ratios no greater than 25 to 1 in K-3 classrooms.*”

The “Master Plan Scenario B – No Parcel Tax,” presented and discussed extensively in 2010, provided that “student to teacher ratios will increase to 32 in K-3 classes.” The “Plan A – With a Parcel Tax” scenario provided that “[e]lementary class sizes [would] maintain student to teacher ratios no greater than 25:1 in K-3 classrooms.”

Maintaining 25:1 in K-3 classes requires substantial expenses, since that entails a greater number of K-3 teachers across the district than with a staffing of 32:1. In 2012-13, the Board allocated \$1,560,000 to support 18 FTE to support maintaining 25:1 class size maximums in K-3.

Rather than directing those funds to retain/hire specific teachers who would otherwise not have been teaching in K-3 classes in AUSD this year, in 2012-13 Measure A funds paid for a portion of the salary of every K-3 teacher in AUSD.

**(2) *Neighborhood Elementary Schools***

*Amount allocated in Measure A: 7-8% of parcel tax revenues*

*Amount spent in 2012-13: 8%*

According to Measure A, funds shall be dedicated to “*maintaining high quality neighborhood elementary schools.*” Magnet schools and other programs may also be funded from this category: “*Revenues from this Measure may be used to support programs designed to maximize enrollment in neighborhood schools, such as magnet programs, and programs which improve the academic proficiency of all students through effective instruction and implementation of a challenging and engaging curriculum as more specifically set forth in the District’s Master Plan document.*”

“Master Plan Scenario B – No Parcel Tax,” presented and discussed extensively in 2010, provided that three neighborhood elementary schools would close and other closures, consolidations, reconfigurations, and boundary changes would happen. Otis, Washington, and Franklin were identified as the elementary schools to be closed. The “Plan A – With a Parcel Tax” scenario provided that “high quality neighborhood schools would remain open.”

Keeping those schools open requires substantial expenses since more staff positions are required in those schools than if the schools were closed and the teachers and students were sent to another school. In particular, keeping those neighborhood elementary schools open requires a principal, office manager, health care clerk, and custodian for each school.

Without Measure A those positions would not be sufficiently funded and the schools would close. In 2012-13, the Board allocated \$814,200 to support three of those four staff positions at each of those three schools. There were not enough funds to cover custodians, so the district paid them out of the unrestricted general fund. The “Plan A – With a Parcel Tax” scenario also provided that magnets, innovative programs and other attractive school options (as more specifically set forth in the Master Plan) would be funded from the parcel tax. In 2012-13, the Board allocated \$15,000 for planning for the Jr. Jets magnet school from this category of Measure A.

**(3) *Secondary School Choice Initiative and AP Courses***

*Amount allocated in Measure A: 7-8% of parcel tax revenue*

*Amount spent in 2012-13 7%*

According to Measure A, funds shall be allocated to “*maintaining Advanced Placement Courses and to supporting the secondary choice initiative to create different educational pathways to careers and college.*” Funds may be allocated to “*create and support more personalized learning environments . . . as more specifically set forth in the Master Plan.*” Funds may also be used to “*sustain secondary courses with student to teacher ratios less than 35 to 1.*”

“Master Plan Scenario B – No Parcel Tax,” presented and discussed extensively in 2010, stated that the District would reduce AP courses. The “Plan A – With a Parcel Tax” scenario provided that the District would maintain AP courses and fund secondary school choice programs, magnets, innovative programs, and other attractive school options as more specifically set forth in the Master Plan.

In 2012-13, the Board allocated \$787,525 to fund AP sections at Alameda High (\$158,891) and Encinal High (\$133,056), and to maintain small classes at ASTI and Island High (\$330,440).

The Board also allocated \$48,684 for implementing innovative programs. These funds were used to support the 21st Century Learning at Bay Farm Elementary Innovative Program Proposal; Earhart Math, Science, Technology with Integration of Music Innovative Program; and Maya Lin School.

#### **(4) Programs to Close the Achievement Gap**

*Amount allocated in Measure A: 15-16% of parcel tax revenue*

*Amount spent in 2012-13: 16%*

According to Measure A, funds shall be dedicated to “*supporting programs which are specifically designed to close the achievement gap*” (Measure A). Funds may be used to “*support professional development for teachers and staff to accomplish district-wide learning initiatives and to provide targeted intervention and support*” (Measure A). Funds will also be “*used to restore the school year to 180 days of instruction for all students.*”

“Master Plan Scenario B – No Parcel Tax,” presented and discussed extensively in 2010, stated that the District would reduce initiatives to close the achievement gap, eliminate professional development in math and instructional practice, reduce intervention programs, continue with a shortened 175-day school year as occurred with furloughs for the 2010-11 school year, and eliminate JROTC. The “Plan A – With a Parcel Tax” scenario provided that the District would maintain initiatives to close the achievement gap, continue professional development in math and instructional practice, maintain intervention programs, eliminate the 175-day school year and return to a 180-day school year for 2011-12 and future years, and maintain JROTC.

In 2012-13, the Board allocated \$81,282 to fund JROTC, \$632,004 to fund the math and Inquiry by Design (IBD) initiatives, \$92,723 to fund the Strategic Instruction Model (SIM) initiative, and \$1,106,702 to restore five days to the school year and continue to eliminate furloughs for teachers (AEA members).

The funds for the math initiative, IBD and SIM pay for staff development for teachers, peer coaches and trainers, and contracts with vendors for services and materials. Measure A funds to restore five instructional days to the school year were placed on the AEA salary schedule for 2012-13.

#### **(5) High School Athletics Programs**

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

*Amount spent in 2012-13: 4%*

According to Measure A, funds shall be dedicated annually to “*maintaining high school athletic programs.*” Revenues from this measure “*may be used to support stipends for athletic coaches, transportation costs for athletic events, equipment and other operational costs.*”

“Master Plan Scenario B – No Parcel Tax,” presented and discussed extensively in 2010, stated that the District would reduce high school athletics to varsity sports only in 2011-12, provide only one coach per varsity sport for 2011-12, and eliminate all high school athletics in 2012-13. The “Plan A – With a Parcel Tax” scenario stated the District would maintain athletic programs at current levels.

In 2012-13, the Board allocated \$479,276 to maintain athletics with budgets to be developed with Athletic Directors and school principals. Measure A funds are paying for more than 100 coach stipends, as well as athletics uniforms and equipment at both comprehensive high schools (AHS and EHS).

**(6) *Enrichment Programs***

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

*Amount spent in 2012-13: 9%*

According to Measure A, funds shall be dedicated to “*maintaining art, music and drama as integral subjects of the K-12 curriculum*” (Measure A). Funds may be allocated to “*support enrichment programs such as P.E. and Media Centers in elementary schools and to support highly qualified visual and performing arts professionals, supplies, equipment and facilities.*”

“Master Plan Scenario B – No Parcel Tax,” presented and discussed extensively in 2010, stated that elementary music, PE, and media centers would be reduced in 2011-12 and eliminated in 2012-13 and that secondary fine arts programs would be reduced to a minimum. The “Plan A – With a Parcel Tax” scenario stated that the District would maintain elementary music, PE, and media centers, and secondary fine arts.

In 2012-13, the Board allocated \$832,534 for elementary music, PE, and media center teaching positions; \$75,601 for middle school fine arts sections; and \$185,313 for high school fine arts sections.

**(7) *Attract and Retain Excellent Teachers***

*Amount allocated in Measure A: 25-26%*

*Amount spent in 2012-13: 26%*

According to Measure A, funds will be dedicated to “*attracting and retaining highly qualified and excellent teachers.*”

“Master Plan Scenario B – No Parcel Tax,” presented and discussed extensively in 2010, stated that the District would, with negotiations, have to implement teacher salary reductions of 8%-9.25%. The “Plan A – With a Parcel Tax” scenario stated that the District would maintain salaries and benefits for all teachers.



In 2012-13, the Board allocated \$3,120,000 for maintenance of the current AEA salary schedule. Those funds were placed on the AEA salary schedule for 2012-13.

**(8) Counseling and Student Support Services**

*Amount allocated in Measure A: 6% of parcel tax revenue*

*Amount spent in 2012-13: 6%*

According to Measure A, funds shall be dedicated to “*providing a lower and more effective ratio of students to counselors and support providers.*” Revenues may be used to “*provide students with a range of support services, including college and career counseling.*”

“Master Plan Scenario B – No Parcel Tax,” presented and discussed extensively in 2010, stated that the District would implement further reductions to counseling services to minimal allowable levels and maximize student to counselor ratio. The “Plan A – With a Parcel Tax” scenario stated that the District would increase counseling and student support services.

In 2012-13, the Board allocated \$676,632 for counselors and \$43,675 for college & career technicians.

**(9) Alameda Charter Students**

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

*Amount spent in 2013-13: 3%*

According to Measure A, funds shall be dedicated to “*supporting Alameda students in Alameda’s public charter schools in existence at the approval of this Measure . . . in proportion to each charter’s enrollment of Alameda resident students.*”

“Master Plan Scenario B – No Parcel Tax,” presented and discussed extensively in 2010, stated that charter schools would receive no direct, supplemental funding from AUSD. The “Plan A – With a Parcel Tax” scenario stated that the District would distribute to Alameda’s existing public charter schools in existence Measure A funds in proportion to each charter’s enrollment of Alameda resident students.

In 2012-13, the Board allocated \$355,200 for Alameda students in Alameda’s charter schools.

<b>School</b>	<b>P-2 ADA</b>	<b>Relative % Total ADA</b>	<b>Allocated Amount</b>
Academy of Alameda	373.88	36.05%	\$128,065
ACLC	256.47	24.73%	\$87,849
BASE	23.31	2.25%	\$7,984
Nea	383.33	36.97%	\$131,302
<b>Total ADA</b>	<b>1,036.99</b>	<b>100%</b>	<b>\$355,200</b>

Each charter school has submitted an accounting of how each spent the Measure A dollars they received for the 2012-13 school year.

**(10) Technology**

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

*Amount spent in 2012-13: 5%*

According to Measure A, funds shall be dedicated to “*providing and maintaining technology at all sites consistent with the District’s technology plan as approved by the BOE.*”

“Master Plan Scenario B – No Parcel Tax,” presented and discussed extensively in 2010, stated that the District would provide no funds to replace and upgrade technology equipment at school sites; would eliminate service and support for school sites would be eliminated; and would allocate technology funding to compliance needs only. The “Plan A – With a Parcel Tax” scenario stated that the District would maintain service and technology support to school sites and would upgrade and invest in technology equipment for sites.

In 2012-13, the Board allocated \$600,000 for technology (to be divided into \$264,510 for Technology staff and \$335,490 for technology upgrades and replacement of classroom technology), as well as \$112,696 in Measure A funds not spent in 2011-2012 in this category.

\$131,000 was carried over to the 2013-14 school year to fund larger purchases.

**(11) Adult Education**

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

*Amount spent in 2012-13: 4%*

According to Measure A, funds shall be dedicated to “*supporting the Alameda Adult School to provide lifelong educational opportunities and services for adult learners*” (Measure A).

“Master Plan Scenario B – No Parcel Tax,” presented and discussed extensively in 2010, stated that the Alameda Adult School would close and that State and federally funded courses taught at Adult School would be integrated with continuation programs. The “Plan A – With a Parcel Tax” scenario stated that the Adult School would remain open, that selected enrichment programs for seniors would be maintained, and that the District would maintain courses in GED test, courses for English Language Learners, and Civics classes.

In 2012-13, the Board allocated \$480,000 to the Adult Education “partial program (partial enrichment, English learner, GED, and high school completion programs).”

**(12) Accountability and Transparency**

*Amount allocated in 2012-13: 1.5-2% of parcel tax revenue*

*Amount spent in 2012-13: 1%*

*According to Measure A, “Available revenues shall mean the amount of money provided by this Measure after the deduction of one and one-half (1 ½%) to two percent (2%) of the Measure’s revenues to pay for the following: . . . payment of necessary fees and expenses to administer the District’s parcel tax, and costs to implement accountability provisions to ensure fiscal transparency through public information, translation services for the District families, and support of the Oversight Committee.”*

In 2012-13, the Board allocated \$ 138,707 for staffing, supplies/materials, translation, and parcel tax administration. Consistent with the relevant language of Measure A cited above, these funds are “taken off the top” before Measure A’s available funds are allocated into the expenditure categories specified in Measure A, as explained above. The funds paid for 50% of the cost of staffing two positions (Accounting Manager, Senior Program Manager), a contract for external parcel tax administration with SCI Consulting Group, and some translation services.

**Next Steps for the Measure A Oversight Committee:**

The Measure A Oversight Committee for 2013-14 will meet in open, noticed, public meetings several times during the 2013-14 school year, with the first meeting following the presentation of this Annual Report to the Board.