

PALOS VERDES PENINSULA UNIFIED SCHOOL DISTRICT
CITIZENS' JOINT OVERSIGHT COMMITTEE FOR MEASURES M

ANNUAL REPORT
TO THE BOARD OF EDUCATION

JUNE 2019

The passage of Measure M in November 2011 continued the local funding initially provided by Measures P and V for the Palos Verdes Peninsula Unified School District (PVPUSD) in the wake of unprecedented cuts to education spending at the state level. Unlike Measures P and V, Measure M was passed without a “sunset date”, meaning that this source of critical local funding will continue to benefit PVPUSD students for years to come. Without this local funding, the District would have been forced to make more than \$8 million in additional cuts to the budget – cuts that would have been devastating to our schools. As required by law, the Parcel Tax measures laid out specific objectives for the use of generated funds, and created a Citizens' Oversight Committee (COC) to ensure that funds are spent appropriately and consistently with the stated goals.

This document constitutes the annual report of the COC for Measure M for the 2017-2018 school year. Although this report primarily covers the audited expenditures for 2017-2018 school year, it also will comment on the committee oversight in the 2018-2019 school year. Committee members include John Letcher, Joseph Litchfield, Tina Quinn, John Stillo, Jill Surace, Gretchen Carner, Jeffrey Frankel and Kana Sato-Nguyen who collectively represent each of the four cities that make up the Palos Verdes community.

Ballot language for Measure M promised an allocation of funds to specific budget categories in order to preserve and continue high quality education in the PVPUSD and to fund the following specific programs and services:

- Keep classroom technology up-to-date
- Provide advanced academic programs in math, science, and technology
- Attract and retain the most qualified and experienced teachers and school employees
- Keep neighborhood school facilities and grounds clean and well maintained
- Keep textbooks and instructional materials up-to-date
- Provide advanced educational programs that help local students get into the best colleges and prepare for successful careers
- Maintain manageable class sizes
- Continue funding for art, music, and physical education programs

The 2017-2018 approved allocations of the Measure M funds were as follows:

- Attract and retain qualified and experienced teachers to maintain manageable class sizes and other employees – (85% teachers) (5% technology staff)
- Fund advanced programs in math, science and technology – 5%
- Keep classroom technology up-to-date – 5%

The COC has reviewed the 2017-2018 allocations of Measure M funds as well as the findings of the Performance Audit for the year ending June 30, 2018 completed by Vavrinek,

Trine, Day & Co., LLP Certified Public Accountants. The COC confirmed that the Performance Audit findings showed that the expenditures of Measure M funds were consistent with the stated purposes of the measure and in accordance with the current approved allocations.

To date, Measure M has provided more than \$54 million in revenue to the District since it became effective in 2012. To account for the impact of inflation on the cost of delivering the classroom programs and student services supported by the parcel tax, the PVPUSD Board of Education may vote annually to adjust the parcel tax rate for inflation by the change in the Consumer Price Index for all Urban Consumers California which is published by the U.S. Department of Labor, Bureau of Labor Statistics. The COC recommended that PVPUSD Board of Education adopt the final CPI percent increase for Fiscal 2018-2019 as noted below.

Fiscal Year	Final CPI%	CPI Increase	Prior Year Adjustment	Rate per Parcel
2013-14	2.0%	\$7.48	N/A	\$381.48
2014-15	1.6%	\$6.10	(\$.75)	\$386.83
2015-16	2.3%	\$8.90	(\$2.29)	\$393.44
2016-17	2.63%	\$10.35	N/A	\$403.79
2017-18	3.4%	\$13.73	\$3.26	\$420.78
2018-19	3.22%*	\$13.55*	\$6.42*	\$440.75*
*Preliminary Numbers				

The passage and subsequent implementation of the Local Control Funding Formula (LCFF) has brought some relief to the state funding cut-backs. However, PVPUSD continues to be underfunded by the state in comparison to similar California school districts. This means that the funding under Measure M parcel tax continues to be a critical portion of PVPUSD's budget. It is hoped that as state funding stabilizes and improves, the parcel tax funds allocation may be adjusted to address needs in the other program and service areas referred to in the Measure M ballot language. To this end, the COC recommends that the Parcel Tax allocation continue to be reviewed, adjusted, and voted on as part of the PVPUSD's annual budget process. We also ask that the Board of Education and District Administration strive to minimize the cost of administering the parcel tax exemption process in order to maximize the total funds available for student benefit from the parcel tax.

The Committee very much appreciates the partnership, both with the Board of Education and the community that provided these funds, and congratulates both in highly valuing education and our children.

Respectfully submitted on behalf of the Citizens' Oversight Committee,

Gretchen S. Carner
Chairperson, Citizens' Oversight Committee for Measure M