

MEASURE A

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE A

A school district may levy a special tax upon approval by two-thirds of the votes cast on a measure pursuant to section 4 of article XIII A of the California Constitution and sections 50075 *et seq.* of the California Government Code.

In 2010, the Board of Education (the Board) for the Palo Alto Unified School District (the District) proposed Measure A, enacting a tax in the amount of \$589 per parcel per year, terminating on June 30, 2016, with a 2% annual escalation adjustment. The Board proposes a Measure A tax intended to replace the 2010 parcel tax and increase the amount currently levied to \$758 per year, with a 2% annual escalation adjustment, for an additional six years. If approved, this parcel tax will commence on July 1, 2015, and expire on June 30, 2021. If Measure A passes, it will supersede the 2010 parcel tax; if Measure A fails to pass, the existing tax will continue and expire on June 30, 2016 as originally enacted.

Pursuant to Government Code section 50079, the proposed tax exempts, upon application, any parcel that is owned and occupied by a person 65 years of age or older owning and occupying the parcel as a principal residence. A legal question could be raised regarding whether the District has exempted all required categories of parties.

State law requires the District to state the specific purposes for which the tax proceeds will be used and only spend the proceeds for these purposes. The stated purposes of the tax proposed by Measure A, include, but are not limited to: (1) preserving excellence in core academic programs including advanced science, math, and reading and writing; (2) protecting class sizes by recruiting teachers to meet the demands of growing student enrollment; and (3) providing equitable opportunities and access for all students to excel at the highest levels. The full text of Measure A sets forth additional specified purposes for which the tax proceeds would be used.

The District is required by law to provide additional accountability measures for the proceeds, including: (1) depositing the proceeds into a fund that is separate and apart from other District funds; and (2) providing an annual written report to the Board detailing the amount of funds collected and expended and the status of any project authorized to be funded from the tax proceeds. The Board will, in addition, establish an independent advisory committee of citizens to ensure that proceeds from the tax are used only for the specific purposes authorized by Measure A.

Measure A was placed on the ballot by the Board.

A "yes" vote is a vote to approve an annual parcel tax of \$758 on parcels within the District for six years, with an annual 2% escalator. This would supersede the existing parcel tax.

A "no" vote is a vote to not approve an annual parcel tax of \$758 on parcels within the District for six years, with an annual 2% escalator. The existing parcel tax would continue until expiration.

Orry P. Korb
County Counsel

By: /s/ Susan Swain
Lead Deputy County Counsel

COMPLETE TEXT OF MEASURE A

Palo Alto Unified School District Quality Public Education Preservation Act of 2015

INTRODUCTION

"To preserve excellence in academic programs, including science, engineering, math, reading, writing, arts, and music with local funding that cannot be taken by the state; reduce class sizes; attract and retain qualified teachers; and advance health, well-being, and equitable opportunities for every student, shall the Palo Alto Unified School District renew its expiring parcel tax for six years, increase the rate by \$120, and continue exemptions for seniors, annual two percent escalation adjustments, and independent oversight?" Said qualified special parcel tax would renew, extend, and replace the qualified special parcel tax approved by the voters of the District on May 4, 2010, as Measure A.

PURPOSE

To provide local revenue that cannot be taken by the State and to maintain exceptional public education in our schools, the Palo Alto Unified School District proposes to renew, extend, and replace its expiring qualified special parcel tax for a period of 6 years, beginning July 1, 2015, at the rate of \$758 per year on each assessor's parcel located within the School District, with an optional exemption annually available, upon application, for senior citizens, and an annual two percent increase (rounded to the nearest dollar) beginning with the 2016-17 fiscal year to account for increasing student enrollment and the rising cost of providing programs, and to implement accountability measures in connection with the special parcel tax to provide oversight and accountability to ensure that funds are used to:

- Preserve excellence in core academic programs including advanced science, math, and reading and writing;
- Protect class sizes by recruiting teachers to meet the demands of growing student enrollment;
- Provide equitable opportunities and access for all students to excel at the highest levels;
- Continue teacher professional development by providing training programs and activities that support high quality teaching and keep teachers up-to-date on the latest advancements in their fields;
- Help protect critical high school electives, including arts, music, computer science, and social sciences that provide a well-rounded education, challenge students, and allow students to be highly competitive for colleges and university admissions, and that provide career vocational education to prepare students for the workforce;
- Accommodate growing student enrollment throughout the District;
- Provide staff and programming to advance the physical, social, emotional and mental health and well-being of all students;
- Provide innovative programming and pathways in science, engineering, technology and math (STEM) to prepare students for college and 21st Century careers;
- Protect teaching and learning programs from budget cuts caused by 10 million dollars per year in reduced funding and new cost mandates;

COMPLETE TEXT OF MEASURE A-Continued

- Expand independent research programs allowing local students to work with mentors from universities, laboratories, medical facilities, cutting edge businesses, and others that are available in Silicon Valley;
- Keep elementary school libraries open and fully staffed;
- Provide a stable local funding source that cannot be taken away by the State for other school districts; and
- Protect the taxpayers' investment in education and ensure District accountability by providing for oversight and independent financial audits of revenues and expenditures.

The Board of Education will utilize parcel tax proceeds for the purposes listed above, unless the Board of Education determines in any given year that changes in student population, fiscal constraints, or other changes in state or federal funding or requirements make doing so infeasible or inadvisable. In any event, the Board of Education will not fund any program or purpose other than those listed above from the proceeds of the special parcel taxes.

PROCEDURES

Subject to two thirds approval of the voters, the renewed and extended replacement parcel tax shall become effective as of July 1, 2015 and be collected by the Santa Clara County Tax Collector at the same time as and along with, and shall be subject to the same penalties as general *ad valorem* property taxes collected by said tax collector. The tax and penalty shall bear interest at the same rate as the rate for unpaid *ad valorem* property taxes until paid. Any tax levied shall become a lien upon the properties against which taxes are assessed and collectible as herein provided.

With respect to all general property tax matters within its jurisdiction, the Santa Clara County Tax Assessor or other appropriate County tax official ("County") shall make all final determinations of tax exemption or relief for any reason, and that decision shall be final and binding. With respect to matters specific to the levy of the special parcel tax, including the Senior Citizen Exemption as allowed below, the decisions of the District shall be final and binding. The procedures described herein, and any additional procedures established by the Board of Education, shall be the exclusive claims procedure for claimants seeking an exemption, refund, reduction, or re-computation of the special parcel tax. Whether any particular claim is to be resolved by the District or by the County shall be determined by the District, in coordination with the County as necessary.

The District's Board of Education may adopt such additional or supplemental procedures as it deems necessary or convenient for the administration of the special parcel tax.

OPTIONAL SENIOR CITIZEN EXEMPTION AVAILABLE

An optional exemption from the special parcel tax will be made available annually to each individual in the District who will attain 65 years of age prior to July 1 of the tax year, and who owns a beneficial interest in the parcel, and who uses that parcel as his or her principal place of residence, and who applies to the School District on or before July 1, 2015, or July 1 of any succeeding tax year. Any application for such exemption must be renewed annually.

COMPLETE TEXT OF MEASURE A-Continued

The District shall annually provide to the County Tax Collector or other appropriate County tax official a list of parcels that the District has approved for a Senior Citizen Exemption.

ACCOUNTABILITY MEASURES

In accordance with the requirements of California Government Code sections 50075.1 and 50075.3, the following accountability measures, among others, shall apply to the special parcel taxes levied in accordance with this Measure: (a) the specific purposes of the special parcel tax shall be those purposes identified above; (b) the proceeds of the special parcel tax shall be applied only to those specific purposes identified above; (c) a separate, special account shall be created into which the proceeds of the special parcel taxes must be deposited; and (d) an annual written report shall be made to the Board of Education of the District showing (i) the amount of funds collected and expended from the proceeds of the special taxes and (ii) the status of any projects, programs, or purposes required or authorized to be funded from the proceeds of the special taxes, as identified above.

In addition to the accountability measures required by State law, an independent Community Oversight Committee shall be appointed by the Board of Education to advise the Board on the expenditures funded by the measure in order to help ensure that said funds are spent for the purposes approved by the voters. The Community Oversight Committee will monitor the expenditures of these funds by the District and will report on an annual basis to the Board and community on how these funds have been spent.

PROTECTION OF FUNDING

Current law forbids any decrease in State or Federal funding to the District because of the District's adoption of a parcel tax. However, if any such funds are reduced because of the adoption of this parcel tax, then the amount of the special parcel taxes will be reduced annually as necessary in order to restore such State or Federal funding.

EFFECT ON MEASURE A

The qualified special parcel tax authorized hereunder renews, extends, and replaces the qualified special parcel tax approved by the voters of the District on May 4, 2010 as Measure A. If the ballot measure proposed herein is approved by two thirds of the voters casting ballots on the measure, then effective July 1, 2015 the qualified special parcel tax so authorized will entirely supersede and replace the qualified special parcel tax authorized by Measure A. If this measure is not so approved, then the qualified special parcel tax approved by Measure A will continue in effect only until June 30, 2016, at which time that qualified special parcel tax and Measure A will cease to be in effect, in accordance with the terms of Measure A.

ARGUMENT IN FAVOR OF MEASURE A

For 13 years Palo Alto schools have benefited from locally controlled school parcel tax funding that cannot be taken away by the State. This stable funding accounts for approximately 7% of the school district budget and is used to attract great teachers, keep class sizes manageable, preserve outstanding academic instruction, and support our students.

Last renewed in 2010 by 79% of voters, Palo Alto's school parcel tax is set to expire next year. If approved, Measure A will extend this important source of local education funding for six years.

While Palo Alto's economy is thriving, locally controlled parcel tax funding is more important than ever:

Student enrollment has grown by 1,100 and is projected to grow by another 700 students over five years. More students mean higher costs to PAUSD. As a Basic Aid district, Palo Alto receives no state attendance-based funding.

State-mandated costs are increasing while state and local revenue sources are decreasing.

Inflation-adjusted funding per student has not grown since 2008-09.

If the parcel tax expires, PAUSD will have to cut \$13 million from the annual budget, including many outstanding teachers, counselors and educational personnel.

Measure A will renew expiring parcel tax funding for six years, increase the rate by \$120 (\$10/month) and continue exemptions for seniors, annual escalation adjustments and an independent citizens' oversight committee to ensure proper spending.

By law, Measure A funds may only be used to:

Attract and retain qualified teachers to keep class sizes small
Support advanced programs in science, math, and technology
Keep school libraries open and staffed
Provide elective courses, including art, music, and social sciences for a well-rounded education
Support at-risk students who are struggling

ARGUMENT IN FAVOR OF MEASURE A-Continued

Let's continue Palo Alto's tradition of supporting education and students. Please vote Yes on A.

www.SupportPaloAltoSchools.org

/s/ Susan L. Usman
President, Palo Alto Council of PTAs

/s/ Ellen Forbes
President, League of Women Voters of Palo Alto

/s/ Carl Guardino
President & CEO, Silicon Valley Leadership Group

/s/ Annette Evans Fazzino
PAUSD Parent

/s/ Walter V. Hays
39-year resident Chair, Sustainable Schools Committee

NO ARGUMENT AGAINST MEASURE A WAS SUBMITTED