

**PALO ALTO UNIFIED SCHOOL DISTRICT
MEASURE O**

To renew expiring local school funding that cannot be taken by the State; preserve excellence in academic programs, including science, math, reading, writing, arts/music; attract/retain qualified teachers and minimize layoffs; support at-risk students; shall Palo Alto Unified School District's measure be adopted, extending its current \$836 parcel tax for six years, raising approximately \$16,000,000 annually with senior exemptions, 2% annual inflation adjustment, independent citizen oversight, all funds benefiting local students?

**YES
NO**

**COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF
MEASURE O**

The Palo Alto Unified School District ("District") Board of Trustees ("Board") has placed Measure O on the ballot to authorize an annual parcel tax of \$836 per parcel, beginning on July 1, 2021 and increasing annually by 2%, for six years. According to the Measure, the parcel tax will raise approximately \$16 million per year. This parcel tax would terminate and replace the existing 2015 Measure A annual parcel tax of \$820 per parcel, which expires on June 30, 2021.

The stated purposes of the parcel tax are to protect academic excellence; attract and retain qualified teachers; preserve academic programs, including science, math, reading, writing, arts, and music; add support staff to help at-risk students; maintain smaller class sizes; support school libraries; support teachers' professional development; provide enhanced high school electives; and maintain teaching specialists. The tax may not be used for administrator salaries or benefits.

The tax applies to any parcel of land that lies wholly or partially within the District that receives a separate tax bill for property taxes from the Santa Clara County Tax Collector. Contiguous parcels that are used solely for owner-occupied single-family residential purposes and are held under identical ownership may be treated as a single parcel upon approval by the District.

A parcel tax exemption may be obtained by the owner and occupant of a single-family residence who is: (1) 65 years of age or older on or before June 30 of the fiscal year immediately preceding the year in which the tax would apply, (2) receiving Supplemental Security Income for a disability, regardless of age, or (3) receiving Social Security Disability Insurance benefits, regardless of age, whose yearly income does not exceed 250% of the 2012 federal poverty guidelines issued by the United States Department of Health and Human Services. Parcel owners must submit exemption applications to the District on or before June 15 of any year. Parcel owners currently exempted from the District's expiring Measure A parcel tax will automatically be exempted from this Measure without having to file a new application.

The District is required by law to institute additional accountability measures for the tax proceeds. These measures include: (1) using the tax proceeds only for the specific purposes described in the Measure; (2) depositing the tax proceeds into a separate account from other District funds; and (3) providing an annual written report to the Board detailing the amount of funds collected and expended and the status of any project(s) authorized to be funded by parcel tax proceeds. In addition to these requirements, if the parcel tax is approved, the District would

**COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF
MEASURE O-Continued**

continue its Citizens' Oversight Committee to oversee the expenditure of parcel tax revenues.

A "yes" vote is a vote to approve a special tax of \$836 per parcel within the District, with a 2% annual increase, for six (6) years.

A "no" vote is a vote to not approve the tax.

If at least two-thirds of all voters casting ballots in the District vote "yes" on Measure O, the tax will be approved.

James R. Williams
County Counsel

By: Julia B. Spiegel
Deputy County Counsel

COMPLETE TEXT OF MEASURE O

PALO ALTO UNIFIED SCHOOL DISTRICT Quality Education Measure O

INTRODUCTION AND PURPOSE

To continue funding to protect the academic excellence of neighborhood schools attract and retain qualified teachers, provide professional development and local reliable funding for local schools that cannot be taken by the State, with no proceeds used for administrators' salaries, benefits and pensions, the Palo Alto Unified School District ("District") proposes to extend its existing parcel tax for a period of six years starting on July 1, 2021 at the current fiscal year rate of \$836 per parcel per year, increased 2% annually, with an exemption available for senior citizens and certain disabled persons, and to implement accountability measures, including citizen oversight, to ensure the funds are used to help:

- Protect neighborhood schools' academic excellence;
- **Attract and retain highly qualified teachers;**
- Maintain and protect strong core academic programs, including math and science;
- **Add support staff to help at-risk students who are struggling with the basics;**
- Maintain smaller class sizes;
- Support school libraries;
- Support professional development for teachers;
- Provide enhanced elective for high school students, including art, music and social science;
- Maintain teaching specialists in the areas of reading, math and science; and
- **Preserve excellence in academic programs, including science, reading, writing, arts, and math.**

The proceeds of the parcel tax shall be deposited into a separate account created by the District.

DEFINITION OF "PARCEL"

For purposes of the quality education renewal parcel tax, the term "Parcel" means any parcel of land which lies wholly or partially within the boundaries of the Palo Alto Unified School District, that receives a separate tax bill for *ad valorem* property taxes from the Santa Clara County Assessor/Tax Collector, as applicable. All property that is otherwise exempt from or upon which are levied no *ad valorem* property taxes in any year shall also be exempt from the quality education parcel tax in such year.

For purposes of this quality education renewal parcel tax, any such "Parcels" which are (i) contiguous, and (ii) used solely for owner-occupied, single-family residential purposes, and (iii) held under identical ownership may, by submitting to the District an application of the owners thereof by June 15 of any year, be treated as a single "parcel" for purposes of the levy of the high quality education parcel tax.

COMPLETE TEXT OF MEASURE O-Continued

EXEMPTION FOR SENIORS AND SSI RECIPIENTS

Pursuant to California Government Code Section 50079 (b)(1), any owner of a Parcel used solely for owner-occupied, single-family residential purposes and who are either (a) 65 years of age or older on or before June 30 of the fiscal year immediately preceding the year in which the tax would apply, or (b) persons receiving Supplemental Security Income for a disability, regardless of age, or (c) receiving Social Security Disability Insurance benefits, regardless of age, whose yearly income does not exceed 250 percent of the 2012 federal poverty guidelines issued by the United States Department of Health and Human Services, may obtain an exemption from the parcel tax by submitting an application therefore, by June 15 of any year, to the District. Once granted, exemptions remain in place until the property is transferred or not owner-occupied by a qualifying person.

Persons who are owners of Parcels used solely for owner-occupied, single-family residential purposes and currently exempted from the District's expiring Measure A parcel tax shall automatically be exempted from this Measure without having to file a new application.

The District may establish administrative procedures to periodically verify the continuance of any previously granted exemption.

With respect to all general property tax matters within its jurisdiction, the Santa Clara County Treasurer and Tax Collector or other appropriate county tax officials, 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 high quality education parcel tax, including any exemptions and the classification of property for purposes of calculating the tax, the decisions of the District shall be final and binding.

REDUCTION IN TAX IF RESULT IS LESS OTHER GOVERNMENT SUPPORT

The collection of the quality education parcel tax is not intended to decrease or offset any increase in local, state or federal government revenue sources that would otherwise be available to the District during the period of the parcel tax. In the event that the levy and collection does have such an effect, the District may cease the levy or shall reduce the parcel tax to the extent that such action would restore the amount of the decrease or offset in other revenues.

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 parcel tax levied in accordance with this Measure: (a) the specific purposes of the parcel tax shall be those purposes identified above; (b) the proceeds of the 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 quality education renewal parcel tax must be deposited; and (d) an annual written report shall be made to the Board of Trustees of the District showing (i) the amount of funds collected and expended from the proceeds of the high quality education renewal parcel tax and (ii) the status of any projects or programs required or authorized to be funded from the proceeds of the parcel tax, as identified above. In addition to the accountability measures required by law, the District will maintain its

COMPLETE TEXT OF MEASURE O-Continued

existing Citizens' Oversight Committee to provide oversight as to the expenditure of parcel tax revenues.

ARGUMENT IN FAVOR OF MEASURE O

Vote YES on O to extend expiring funding for Palo Alto schools at the current rate, prevent teacher layoffs and limit cuts to academic programs without raising taxes.

For 19 years, Palo Alto schools have benefited from locally controlled funding that cannot be taken away by the State or other school districts. The approximately \$16 million in annual funding is used to keep great teachers in our classrooms, preserve outstanding academic instruction and support our students.

Palo Alto's school parcel tax is set to expire next year. Voting Yes on O will extend this important source of local education funding at the current rate for six years to:

- Attract and retain qualified teachers
- Preserve excellence in academic programs, including reading, writing, arts, science and math
- Offer competitive compensation so talented teachers continue working in this high cost of living area
- Support technology for distance learning
- Maintain mental health/guidance counselors to help at-risk and struggling students

Measure O continues strict fiscal accountability protections:

- Every penny must stay local and no funds can be taken by the State
- Independent citizens' oversight and annual audits ensure funds are spent properly
- No funds may be used for administrator salaries
- An exemption for senior citizens and low-income people with disabilities ensures the cost is not a burden to those on fixed incomes

If this funding is not renewed, PAUSD will have to cut over \$16 million annually on top of approximately \$6 million in recent COVID-19 funding reductions. Cuts of this magnitude would require laying off over 100 teachers and eliminating many instructional programs.

Whether or not you have school age children, supporting quality schools is a wise investment that protects our quality of life and property values.

Let's continue Palo Alto's tradition of supporting quality education by extending expiring local funding without increasing taxes. Please vote YES.

ARGUMENT IN FAVOR OF MEASURE O-Continued

www.SupportPaloAltoSchools.org

Joe Simitian
County Supervisor

Judy Kleinberg
President, Palo Alto Chamber of Commerce

Michael W. Kirst
Professor Emeritus, Stanford University

Julie Lythcott-Haims
Author, Former Dean

Enoch Choi
Doctor, Palo Alto Resident

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE O

This is not the time for "taxation as usual".

Many people have lost their jobs. Others are working reduced hours. Many businesses have reduced revenue, and some have been forced to shut down entirely. Some may never re-open.

Individuals, households, and businesses have all had to adapt to this crisis, by cutting costs and being more careful about spending their limited funds on only the most essential activities.

School boards need to do their share, by focusing their efforts on controlling costs and by prioritizing only the most essential things.

This is not the time for "taxation as usual".

There is a reason that parcel taxes usually are approved for a limited number of years. It is so that voters will have a chance to reconsider them if the situation has changed.

This is such a time. The situation has changed.

The budget assumptions behind proposals like this are no longer valid. Even after schools can open, many parents will be considering home schooling or online learning as a permanent option, and many traditional school-associated activities just do not make sense now.

With fewer students doing fewer things, asking for approval of a tax like this is the wrong approach.

This is not the time for "taxation as usual".

This is the time to demand that the school board take a fresh look at their budget and come up with a new plan, not expect voters to automatically "extend" an obsolete plan.

Vote NO on Measure O.

www.SVTaxpayers.org

Mark W.A. Hinkle
President: Silicon Valley Taxpayers Association

Brian Holtz
Director, Purissima Hills Water District

Joe Dehn
Chair, Libertarian Party of Santa Clara County

ARGUMENT AGAINST MEASURE O

Thanks to the state and federal shutdown of the schools, with the unlikely return of students onto school campuses anytime soon, there are going to be significant savings to the taxpayers because of those school closures.

So, why the "temporary" tax increase for 6 more years?

In 2018, voters passed a \$460,000,000 bond measure to "provide safe/modern schools" on top of a \$378,000,000 bond in 2008 to "improve overall safety".

Palo Alto Unified Schools must be the safest schools in California!

The School District is already spending 168% over the California statewide, per student, average (\$23,117 per year per student), but it is never enough is it? The School District always uses the same threats to try to scare us into voting for more debt and higher taxes.

This time we should say NO.

The School District is already paying teachers way above statewide averages:

Categories	District Pay	Statewide
Lowest Salary Offered	\$65,093	\$30,000
BA + 60	\$105,693	\$73,686
Highest Salary Offered	\$123,612	\$159,627
Average Paid	\$109,894	\$82,168

(Source: Education Data Partnership, www.Ed-Data.org)

And when you consider that teachers only work 185 days a year, compared to those in the private sector that work, on average, 240 days a year (not counting vacation and holidays), they are very well compensated for their job. And that is NOT counting benefits up to \$24,269 per year!

California is already suffering under a huge tax burden that is driving businesses and jobs and people to other states or overseas. And with record un-employment, many are struggling to pay rent/mortgages. Another tax is the last thing we need.

Tax wise, we are suffering from a death of a thousand cuts.

You can be for schools, for students, for teachers, and against Measure O.

Please vote NO on Measure O.

For more information: www.SVTaxpayers.org

Mark W.A. Hinkle
President: Silicon Valley Taxpayers Association

Brian Holtz
Director, Purissima Hills Water District

Joe Dehn
Chair, Libertarian Party of Santa Clara County

REBUTTAL TO ARGUMENT AGAINST MEASURE O

The three opponents have their facts **WRONG**. Two of them don't even live in our community and they don't understand the needs of our schools.

The truth is most school district funding goes to employing teachers and support staff to educate kids. Those costs haven't decreased due to distance learning. PAUSD must offer competitive compensation so talented teachers can work in this high cost of living area.

PAUSD recently made \$6 million in budget cuts due to COVID-19 funding reductions. **Without Measure O, PAUSD will have to make an additional \$16 million in budget cuts when parcel tax funding expires next year.**

Cuts of this magnitude would have a **dire impact on the quality of education**:

- **Layoffs of over 100 teachers**
- **Reductions in counselors, aides and other support staff**
- **Significant increases in class sizes**
- **Elimination of instructional programs, electives and course offerings**

Measure O would simply continue expiring funding for Palo Alto schools **without raising taxes**. Senior citizens and low-income people with disabilities continue to be eligible for exemptions.

For 19 years, an independent citizens' oversight committee has carefully reviewed all expenditures and consistently reported that funds have been used properly. All funds are locally controlled, cannot be taken away by the State and cannot be used for administrator salaries.

Measure O is the difference between Palo Alto schools being good and Palo Alto schools being great. Strong schools protect our property values.

Please join Palo Alto's local teachers, principals, business leaders, longtime residents and local elected leaders who all support Measure O.

Marc Berman
California State Assemblymember

Roger V. Smith
56-Year Palo Alto Resident; Founding President and CEO, Silicon Valley Bank

Barbara Sih Klausner
Educator, Former PAUSD Board President

Lanie Wheeler
Former Palo Alto Mayor, Long-Time Palo Alto Resident

Randolph Tsien
PAUSD Parcel Tax Citizens Oversight Committee