

PALOS VERDES PENINSULA UNIFIED SCHOOL DISTRICT

CITIZENS' OVERSIGHT COMMITTEE FOR MEASURE P

ANNUAL REPORT

TO THE BOARD OF EDUCATION

January 28, 2010

Good evening Board President and members of the Board of Education.

My name is Erin LaMonte. For the last seven years, I have been part of the Measure P Oversight Committee. I am here to give the Committee's annual review of Measure P, the Parcel Tax voters approved in 2003 and renewed in 2007, and how these funds were allocated by the Board of Education.

Other Committee members here tonight include Dr. Timothy Scully from Rancho Palos Verdes, and Craig Huey, Rob Hupp and John Addleman from Rolling Hills Estates Terry Pearson from Palos Verdes Estates, and Tamara Powers from Rolling Hills.

The passage of Measure P initially in 2003 was to provide additional local funding for our schools in order to maintain existing programs that were at risk due to proposed State budget cuts and inconsistent state funding for the schools in Palos Verdes. Without these funds, there would have to be severe cuts to our school budget—about \$3.5 million a year.

The primary objectives of Measure "P" are:

1. Purchasing up-to-date textbooks and replacing outdated ones
2. Maintaining educational programs that enhance student achievement
3. Keeping class sizes small by retaining qualified and experienced teachers and other employees

The Committee has reviewed the 2008-2009 allocations of Measure P funds and determined these allocations were consistent with the stated purposes of Measure P.

Voters initially approved and then re-approved Measure P in 2007 based upon promises of allocation to specific categories and were to give temporary help for our elementary, intermediate and high school programs.

The District has lived up to its promise in the ballot measure approved by the voters of Palos Verdes. Students at every grade level and every school in our district have benefited from these funds. The taxpayer's money has been fairly spent.

Measure P has generated over twenty five million dollars of revenue since its initial passage in June of 2003. It has offset some of the drastic and debilitating cuts made by other school districts due to past state funding shortfalls and unequal state funding. While the District had hoped for the State to adopt a more stable and predictable revenue stream for our students, the financial crisis of the State of California continues to dominate the news today as in the past several years. The loss of funding for our students in Palos Verdes from the State has been over \$1,100 per student the last two years. While we are not expecting Sacramento to announce any mid-year cuts, we do expect additional reductions in the per student funding this coming year. Such reductions to school districts are far more challenging due to binding union contracts, federal and state mandates, and on-going educational programs.

While the District was able to maintain virtually all programs in the 08/09 school year because of the generosity of the local electorate and the approval of Measure P revenues, in the 09/10 school year the District was forced to:

- Increase class sizes at virtually every class level due to budget constraints, Kindergarten – 3rd grade from 20:1 up to 24:1. Grades 6-12th increased from 32:1 up to 34:1
- Suspend adoptions of any new textbooks
- Limit any significant technology purchases
- Implement administrator freeze for built-in pay increases and take 3 furlough days
- Teachers opted to cut personnel, increase class sizes and had optional 2 day furloughs
- Support staff accepted 3 furlough days and personnel cuts

Students at every grade level and every school in our district have benefited from these actions. The taxpayer's money has been fairly spent.

The Board and staff had been able to hold off many of these actions for several years because of the Parcel Tax funds, additional funding from the Peninsula Education Foundation and use of reserves.

The committee is pleased with the Board's action and the community's support and while we hate to see cutbacks that affect the excellence in education, we understand the tough financial times the District faces today.

The Committee urges the Board of Education to continue its prudent and thoughtful allocations of Measure P funds. It is critical, that expenditures be limited to personnel or programs that were promised to the voters in 2003.

The guiding principles for spending these funds involve fiscal constraint, wisdom and caution.

The Oversight Committee believes that the taxpayers agreed to expenditures that would not create expectations for ongoing funding. It is critical, that we honor our promise to the voters so that expenditures continue to be limited to those one-time expenses that can be terminated when Measure "P" will have expired.

While this past year, the Citizens Oversight Committee affirmed the Board of Education's decision to shift significant allocations out of technology and textbooks and into personnel costs to keep classes small because of insufficient State funding, we had recommended that the Board return to similar percentage allocations this past year for textbooks and technology. This has not happened.

The first five years the percent of parcel tax funds spent on salaries averaged 67%. The current year is set to use 95% of the \$4 million dollars toward teacher and employee salaries with 0% allocated to technology.

We must once again remind the Board that the Citizens Oversight Committee would like to see a return to a more balanced allocation of parcel tax funds.

In particular, the Oversight Committee would encourage the Board to approve funding technological improvements that may assist the District in trimming direct costs. Technology affects both sides of the educational system, the administrative/operational side as well as student learning

It is vital for the fiscal responsibility of our school district that Measure "P" expenditures be spent on "one time" costs and not on ongoing programs and expenses. Earmarking specific programs funded by the parcel tax funds helps keep these expenditures clear to the public. Again, the COC is worried that such a large percentage of these dollars are funding on-going salaries and will present a fiscal crisis as the parcel tax ends.

Finally, the Oversight Committee supports the District Goals of 2009-2010 specifically:

- use current data and research to enhance student achievement
- conduct a total curriculum review of all current programs

- develop a multi-year financial plan to ensure fiscal stability of the District

If suggested changes in programs or allocations are identified, we the Oversight Committee urge the Board of Education to be consistent with the stated purposes of Measure P. In addition, the Oversight Committee urges that the community be better informed so that the Board of Education can benefit from a knowledgeable community in order to maintain support.

A special section on Measure "P" is also available on the school District's website and we urge the District to continue to use the website to disseminate facts on the Parcel Tax expenditures.

Thank you for your hard work, your time and your attention.