



## Bond and Parcel Tax Citizens' Oversight Committee 2018-2019 ANNUAL REPORT

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### Letter from Citizens' Oversight Committee Co-Presidents

March 24, 2020

To: The Board of Trustees and Citizens of the Fremont Union High School District

The Bond and Parcel Tax Citizens' Oversight Committee is pleased to present its eleventh annual report which covers the 2018-2019 fiscal year. The principal duties of the Committee are to:

- Ensure that Bond and Parcel Tax proceeds are expended only for the purposes that they are intended;
- Report the program's progress to the public; and
- Provide an annual report and compliance statement

This Committee was established in June 2008 with the voters' approval of Measure B, a \$198 million school improvement bond. With the passage in November 2014 of Measure J (\$98 parcel tax renewal) and Measure K (\$295 million bond), the Trustees expanded the role of the Committee to include the oversight of all three measures. Since our last report, the Committee's role has expanded again to include oversight of Measure CC (\$275 million bond) approved by the voters in November 2018. All Measure B projects and expenditures were completed in the 2015-2016 fiscal year and our ongoing review encompasses Measures J, K and CC.

Over this reporting period, all five FUHSD schools and the new district-wide Educational Options and Adult School facilities had Measure K projects in design or construction. As of June 30, 2019, approximately \$178 million (Measure K) and \$170,000 (Measure CC) had been spent on the program. The Committee held four publicly noticed meetings to review project and financial reports, including on-site tours of work in progress.

Of special note, in this period our District projects qualified for \$6.87 million in matching funding from the State's School Facility Program. These dollars will be cycled back into our ongoing improvements efforts, delivering even greater value for our students and community.

Eide Bailly, LLP completed the annual audit of bond expenditures for Measures K and CC and for the Measure J Parcel Tax. The audit reports disclosed no instances of noncompliance with the terms of Proposition 39 or the terms of the bond measures and parcel tax measure as approved by District voters.

The Committee is pleased to report that based on the findings of the annual audit, the Fremont Union High School District is in full compliance with its responsibilities as described in Article XIII A, Section 1(b)(3) of the California State Constitution.

This has been a productive year for the school bond programs, with major new facilities opened at all five high schools for the start of the current school year. We thank the community for their ongoing support for excellence in the facilities and programs of the Fremont Union High School District.

Respectfully,

David Fung  
*Co-President, Citizens' Oversight Committee*

Mark Burns  
*Co-President, Citizens' Oversight Committee*

### **ABOUT THE BOND MEASURES**

Voters in the Fremont Union High School District have been supportive of the District's efforts to build new classrooms, renovate and expand the facilities that serve our students and staff, upgrade computer network capability and science labs, upgrade classroom computers and technology, construct a solar electricity system and modernize track and fields facilities. They have approved four bond measures since 1998 – Measure H in April 1998 for \$144 million, Measure B in June 2008 for \$198 million, Measure K in November 2014 for \$295 million and most recently Measure CC in November 2018 for \$275 million.

All Measure H and B projects are complete and the funds fully expended. All of the bonds for Measure K have been sold, including approximately \$60 million in green bonds. Green bonds are used for projects that have substantial positive environmental and/or climate benefits. In addition, \$55 million in bonds have been sold for Measure CC projects. In the descriptions below, projects are identified as being funded by Measure (**K**) or Measure (**CC**).

### **ABOUT THE PARCEL TAX MEASURE**

Voters also approved a parcel tax in 2004 for \$98 per parcel. Since then, voters renewed it in 2010 and again in 2014 with Measure J, which is due to expire in 2022. The parcel tax protects the math, science, English, foreign language, music and art classes currently offered; maintains class sizes; and retains high quality teachers and staff.

### **INDEPENDENT AUDIT**

Under the provisions of the California Constitution as amended by Prop 39, the 2014 Measure K Bond Program and Measure CC Bond Program must undergo an annual audit by an independent auditing firm. Additionally, the District must provide accountability through an annual audit detailing the amount of funds collected and expended from parcel tax proceeds. The District utilized the certified public accounting firm of Eide Bailly LLP, to perform the required financial and performance audits for the fiscal year ended June 30, 2019. On November 18, 2019, Eide Bailly met with the Committee to review the draft audit reports that document the audit results. The audit reports were approved by the District's Board of Trustees at their meeting held on December 3, 2019. The audit reports are available on the Committee's website [www.fuhisd.org/departments/bond-program/citizens-oversight-committee](http://www.fuhisd.org/departments/bond-program/citizens-oversight-committee).

### **CITIZENS' OVERSIGHT COMMITTEE**

Under the provisions of the California Constitution as amended by Prop 39, an independent Citizens' Oversight Committee (Committee) must be established to assure that Bond funds are spent as approved by the voters. The Committee is required to publish an annual report of its findings.

As chartered by the Board of Trustees of the Fremont Union High School District (Board), the 2008 Measure B Bond Committee was created. In January of 2015, the Board expanded the charter of the Committee to include the Measure K Bond and Measure J Parcel Tax. The new Committee became the **Bond and Parcel Tax Citizens' Oversight Committee**. In February of 2019, after the passage of Measure CC, the Board of Trustees added the oversight of Measure CC to the Committee's responsibilities. The Committee may also act as a communications channel for disseminating bond program and parcel tax information and collecting community inputs or concerns. The Committee is not a bond program or parcel tax advisory body and has no authority to make policy, make decisions, or set priorities in the spending of any funds or District operations. All projects are authorized and approved by the Board of Trustees.

Committee members are appointed for a two-year term and may serve three two-year terms with no compensation for their participation. For the latest Committee meeting schedule, meeting minutes, and other information, please go to [www.fuhisd.org/departments/bond-program/citizens-oversight-committee](http://www.fuhisd.org/departments/bond-program/citizens-oversight-committee).

## PROJECT/SITE UPDATES

The **Educational Options** campus (**K**) behind the District Office opened in September 2019. It was a design-build collaboration of Quattrocchi Kwok Architects (QKA) and Blach Construction, consisting of two buildings with an interior courtyard. Educational Options is a collection of high school and post-secondary programs designed to meet the academic and social-emotional needs of District students. In addition, this campus is a pilot for electric vehicle charging stations (**CC**) that will be replicated at all District sites. Ten stations will be installed and be operational by March 2020.



The Building 500 Science Building project will be the first modernization project under **Measure CC** at **Cupertino**. It will include new HVAC, roofing and fire alarm upgrades, in addition to classroom modernization including new lighting, ceilings, AV system, paint and furniture. The project is scheduled to be completed in October 2020. McKim Architects is designing this project. Also scheduled is the Athletic Field Improvements (**CC**) project with a tentative completion of Fall 2020. It will include synthetic turf for the baseball field, new athletic field entry, and bike and student plaza improvements with up to 600 new bike racks.







HHS Innovation Hub

The **Homestead** Innovation Hub (**K**) opened in August 2019. QKA was the architect and Swinerton Builders was the builder. The art building, Building D, was demolished to make way for the new Guidance and Student Services (GSS) Building (**K**), which is designed by QKA. Lathrop Construction is the builder. Occupancy is anticipated to be in the Fall of 2020.



HHS Innovation Hub



HHS New GSS Building

The new GSS and Classroom Building (**K**) at **Fremont** was occupied in January 2019. Aedis Architecture designed the building and Lathrop Construction was the builder. Currently, CAW Architects is designing the modernization of the Original Main Building and the Student Center Project (**K/CC**). Lathrop Construction is the builder for this project.



FHS Student Center



FHS GSS and CR Building



FHS Original Building and Theater (cross section)



## CUPERTINO • FREMONT • HOMESTEAD • LYNBROOK • MONTA VISTA



LHS New GSS

The Cafeteria and Quad project (**K**) at **Lynbrook** was completed in August 2019. QKA was the architect and Blach Construction was the builder. The current project on campus is the new GSS Building (**K**), which will be the new campus entry next to the student parking lot off Johnson Avenue. Fall 2021 is the anticipated completion date.



LHS Cafeteria



LHS Cafeteria and Quad

HED Architects and Lathrop Construction teamed up at **Monta Vista** to upgrade Buildings A and C (**K**) first floor HVAC and fire alarm systems and modernize the classrooms. The project was completed in August 2019. Buildings A, B, and C second floor will be modernized under **Measure CC**. Derivi Castellanos Architects (DCA) is designing the project, with Lathrop Construction as the builder. In addition to the modernization, the exterior balcony railings will be replaced and the Academic Quad will be upgraded. The project is scheduled to be completed by January 2021.



New HVAC

New Color

MVHS Building A & C Modernization



MVHS Building A & C Modernization  
– Ready for Occupancy



MVHS Building A, B & C Modernization  
2<sup>nd</sup> Floor & Academic Quad



MVHS Building A, B & C Modernization  
2<sup>nd</sup> Floor & Railings

Staff presented the audited Measure J Parcel Tax Update to the Committee on November 18, 2019 and to the Board of Trustees on December 3, 2019. The following table shows the revenue and expenditures that were reported for the fiscal year that ended on June 30, 2019.

## Fremont Union High School District Parcel Tax Report FY 2018-19

### Revenues:

Potential Parcel Taxes	5,260,363.03
Senior Exemptions (Refunds only)	(35,300.00)
Gross Revenues	5,225,063.03
Assessor's 1% Fee	(52,250.63)
<b>Total Parcel Tax Revenues</b>	<b>5,172,812.40</b>

### Expenses:

Restoration of Teacher and Staff Salary Rollback	4,276,491.00
Sustaining 2004-2005 Staffing Levels	1,500,000.00
Maintain Reduced Class Size - 9th Grade English & Algebra	750,000.00
Miscellaneous Classified	305,833.38
School Resource Budget Restoration	749,415.00
Athletic Officials	30,000.00
On-Going & Major Maintenance (3%)	494,768.00
Additional Coaches Stipends 5 per site	113,000.00
<b>Preliminary Parcel Tax Expenses</b>	<b>8,219,507.38</b>
Transferred to other sources due to insufficient Parcel Tax funds:	
Parcel Tax funds	(3,046,694.98)
<b>Final Parcel Tax Expenses</b>	<b>5,172,812.40</b>

Specific Purposes of the Parcel Tax as described in the November 2014 ballot:

1. Protect the math, science, english, foreign language, music and art classes currently offered
2. Maintain class sizes
3. Retain high quality teachers and staff