



Bond and Parcel Tax Citizens' Oversight Committee 2022-2023 ANNUAL REPORT

CITIZENS' OVERSIGHT COMMITTEE

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**WE ARE LOOKING FOR
NEW MEMBERS TO JOIN
OUR OVERSIGHT
COMMITTEE!**

*Please email
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additional information.*

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Letter from the Citizens' Oversight Committee

March 26, 2024

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 fifteenth annual report which covers the 2022-2023 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. The Committee's role was subsequently expanded again to include oversight of Measure CC (\$275 million bond) approved by the voters in November 2018, Measure M (\$98 parcel tax renewal) approved in 2020, and Measure G (\$275 million bond) approved by voters in 2022. All Measure B projects and expenditures were completed in the 2015-2016 fiscal year and our ongoing review encompasses Measures M, K, CC, and G.

Over this reporting period, all five FUHSD schools and the Adult Education and District Office campus had Measure K, Measure CC, and Measure G projects in design or construction. As of June 30, 2023, approximately \$282 million (Measure K), \$155.4 million (Measure CC), and \$809.5 thousand (Measure G) had been spent on the program. Of special note, our District projects have qualified for \$14.7 million in matching grant 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. The Committee held four publicly noticed meetings to review project and financial reports, including on-site tours of work in progress.

Eide Bailly, LLP completed the annual audit of bond expenditures for Measures K, CC, and G and for the Measure M 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,

*Jerd Ferraiuolo, 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 five 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 Measure CC in November 2018 for \$275 million. Most recently, voters approved Measure G, a \$275 million bond measure on June 7, 2022.

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 \$61 million in green bonds. Green bonds are used for projects that have substantial positive environmental and/or climate benefits. All of the bonds have been sold for Measure CC, including approximately \$30 million in green bonds. Most recently in June 2023, \$100 million in bonds were sold as the first issuance for Measure G projects. In conjunction with the last bond issuance in June 2023, under the 2018 Measure CC authorization and the 2022 Measure G authorization, there was a refinancing of outstanding bonds with a par amount of approximately \$36.28 million, which consisted of a portion of the 2014 series, 2015 bonds, and the 2015 GO Refunding Bonds. Through a forward delivery refunding method, the District was able to lock in taxpayer savings of over \$2.8 million over time.

In the descriptions below, projects are identified as being funded by Measure (K), Measure (CC), or Measure (G).

ABOUT THE PARCEL TAX MEASURE

Voters 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. In November 2020, voters renewed the \$98 parcel tax, Measure M, for an additional eight years. 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, the 2018 Measure CC Bond Program, and the 2022 Measure G 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, 2023. On December 4, 2023, 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 5, 2023. The audit reports are available on the Committee’s website www.fuhsd.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.

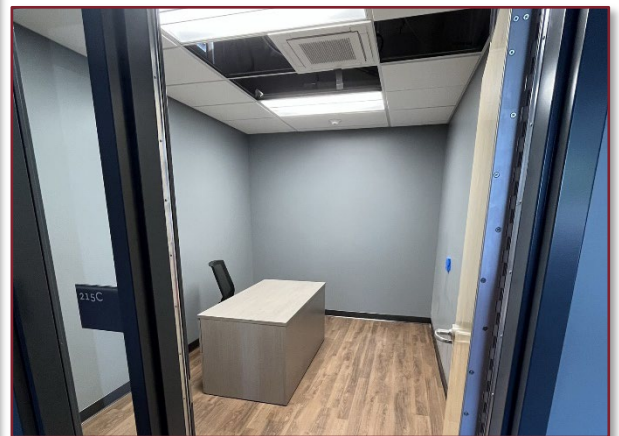
As chartered by the Board of Trustees of the Fremont Union High School District (Board), the 2008 Measure B Bond Committee was created. In January of 2015, the Board expanded the charter of the Committee to include the Measure K Bond and Measure J Parcel Tax. The new Committee became the Bond and Parcel 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 and in September of 2022, after the passage of Measure G and the parcel tax renewal as Measure M, the Board of Trustees added the oversight of Measure G and continued oversight of Measure M 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.fuhsd.org/departments/bond-program/citizens-oversight-committee.

PROJECT/SITE UPDATES

At **Cupertino High School**, the modernization of Buildings 200 and 700 began construction in June 2023 and completed in August 2023. Blach Construction was the builder, McKim Design Group was the architect, and this was a Measure CC funded project. The scope of the classroom modernization included new roofing and fire alarm upgrades in addition to new lighting, ceilings, AV systems, paint, and furniture. Buildings 200 and 700 modernized approximately 14 classrooms and the work in Building 200 included a new wellness center to serve the campus. The new wellness center was done in collaboration with the Santa Clara County Office of Education.

As part of Measure G, the next phased project at Cupertino High will be the construction of a new District Robotics Center to serve all Robotics students in the District. This project began schematic design with Quattrocchi Kwok Architects (QKA) as the architect and Landmark Constructors under contract as the Builder. This project is planned to begin construction in late Spring of 2025.



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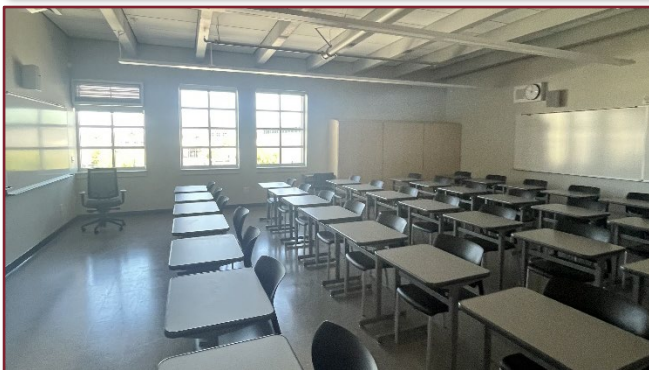


At **Fremont High School**, construction commenced on the Science Building Modernization with Derivi Castellanos Architects (DCA) as the architect and Beals Martin as the builder. This project began construction in June 2023, completed construction August 2023, and was a Measure CC project.

Also, as part of Measure CC, design began on the Fremont High School New Field House and Athletic Complex project, with Aedis Architects as the architect and Lathrop Construction under contract as the builder. This project is planned to begin demolition in summer 2024 and complete in the fall of 2025.



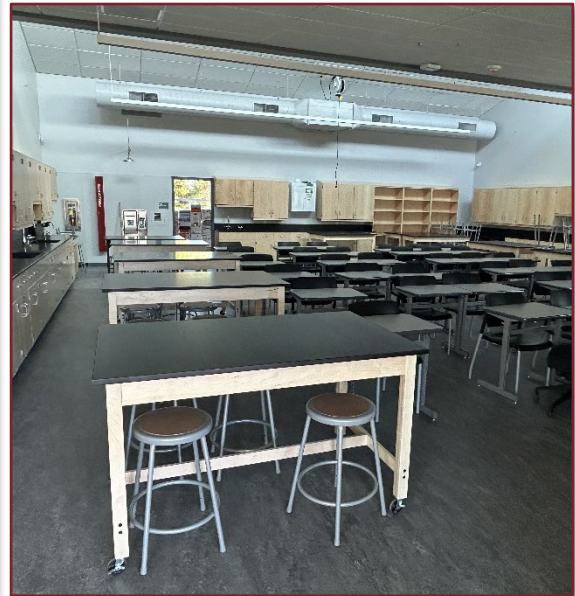
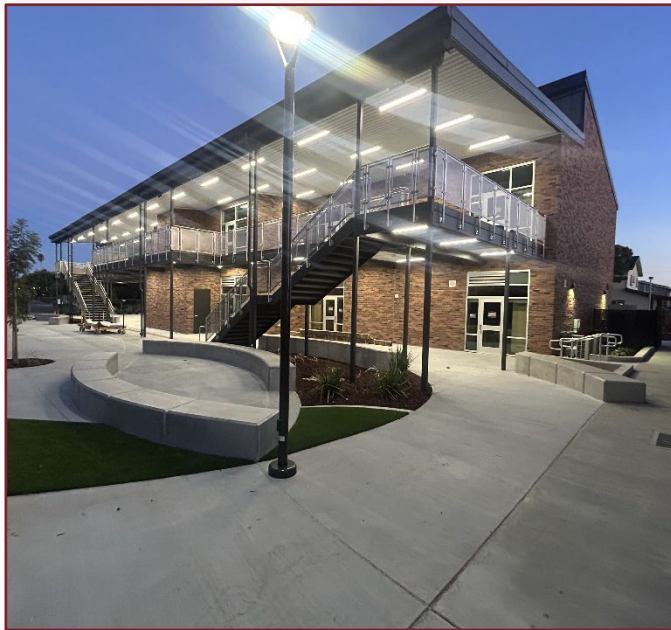
As part of Measure CC, the **Homestead High School** Building B classroom modernization and seismic upgrades project continued. Quattrocchi Kwok Architects (QKA) was the architect and Blach Construction was the builder. Building B completed construction in August 2023 and modernized 23 classrooms. This project also included exterior improvements to the Library Quad area and completed in February 2024.





At **Lynbrook High School**, under Measure CC, construction of the 2-story, 17,666 sq.ft. New Rocklin Science Center continued and completed construction last Fall 2023. QKA was the architect and Blach Construction was the builder.

As part of Measure CC and Measure G, we began design on the first phase of classroom modernizations with Quattrocchi Kwok Architects (QKA) as the Architect. Phase 1 will modernize buildings 000, 100, and 300 and has an anticipated construction schedule from June 2024 through August of 2025. This project also includes utility infrastructure improvements for the campus.



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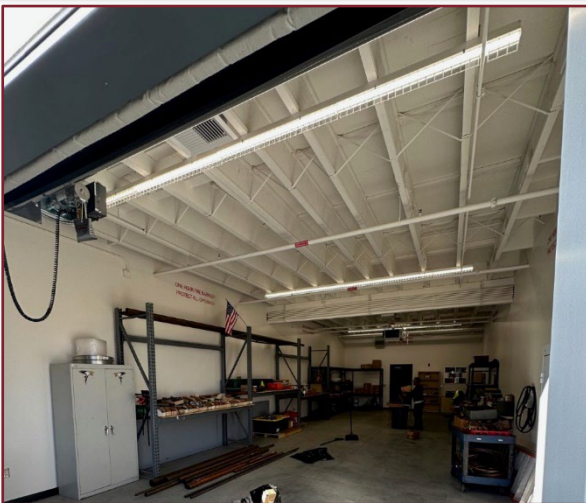
At **Monta Vista High School**, the focus was the classroom modernization of the Choir Building F3, which modernized 2 large music rooms and several support spaces as part of Measure CC. Construction began in June 2023 and was completed October 2023. Derivi Castellanos Architects (DCA) was the architect and Lathrop Construction was the builder.

As part of Measure G, the next planned project is the modernization of the Music Building F4, which has commenced design with Derivi Castellanos Architects (DCA) as the architect. The anticipated start of construction will be sometime in the Fall of 2024.



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At the **Adult Education and District Office** site, construction of the New Maintenance and Operations Building continued and completed last October 2023. This building replaced the old maintenance sheds that were at the east side of the campus. The final phase of the master plan for this campus includes converting the old residency, technology, and human resources building into additional Adult Education classrooms, as well as improvements and expansion of the parking lot. The parking lot work will also add additional solar structures along with Electric Vehicle (EV) charging stations. The final phase of work is scheduled to be completed in Fall 2024. These are **Non-Bond**, Measure **K**, and Measure **CC** funded projects with QKA as the architect and Blach Construction as the builder.



MEASURE M– PARCEL TAX UPDATE

Staff presented the audited Measure M Parcel Tax Update to the Committee on December 4, 2023, and to the Board of Trustees on December 5, 2023. The following table shows the revenue and expenditures that were reported for the fiscal year that ended on June 30, 2023.

| Fremont Union High School District | |
|--------------------------------------------------------------------------------------------------|-----------------------|
| Parcel Tax Report | |
| FY 2022-23 | |
| Revenues: | |
| Potential Parcel Taxes | 5,220,751.03 |
| Assessor's 1% Fee | (52,207.51) |
| Gross Revenues | <u>5,168,543.52</u> |
| Senior Exemptions (Refunds only) | <u>(44,198.00)</u> |
| Total Parcel Tax Revenues | 5,124,345.52 |
| Expenses: | |
| Restoration of Teacher and Staff Salary Rollback | 5,381,953.07 |
| 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 | 939,005.00 |
| Athletic Officials | 30,000.00 |
| On-Going & Major Maintenance (3%) | 538,397.10 |
| Additional Coaches Stipends 5 per site | <u>110,093.20</u> |
| Preliminary Parcel Tax Expenses | 9,555,281.75 |
| Transferred to other sources due to insufficient Parcel Tax funds: | <u>(4,430,936.23)</u> |
| Final Parcel Tax Expenses | 5,124,345.52 |
| 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 | |