SAN LEANDRO UNIFIED SCHOOL DISTRICT

PARCEL TAX HISTORY AND BUDGET OVERVIEW

Kevin Collins, Ed.D.
Assistant Superintendent

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SLUSD Parcel Tax Discussion

Overview:

- Review of Measure L
- District Budget Overview
- Decisions for Parcel Tax Resolution

Parcel Tax vs Bond – what is the difference?

BOND MEASURE

- Bonds are primarily used for Buildings
- Bonds are repaid by property owners based on assessed value (not market value)
- Measure J1 included estimated tax rate of $36 per $100,000 of assessed valuation
  - Charge on home with A/V of $100,000 would be $36
  - Charge on home with A/V $1,000,000 would be $360

Parcel Tax vs Bond – what is the difference?

PARCEL TAX MEASURE

- Parcel Tax is used primarily for people and programs
- Most parcel taxes charge flat rate for each parcel of land – regardless of assessed value, size, or use
- Other parcel tax models exist, but run the risk of legal challenge

SLUSD Parcel Tax History

- Two-thirds (66.667%) vote required to pass a parcel tax

- Measure A (2006) Yes: 60.8%
- Measure L (2012) Yes: 66.8%

- Measure L was designed to bring in $2.25 million annually
- Tax design was common at the time, but was challenged in court
- Resulting agreement led to $39 flat tax per parcel and $725,000 in revenue per year

Measure L Statistics

- 19,764 taxable parcels, including 654 senior exempt parcels
- 19,110 taxed parcels (slight decline from high of 19,294 in 2013-14)
- 328 delinquent parcels (1.7%)
- About $725,000 in annual revenue
- Measure L was approved for six years - sunsets in June 2018
  - Parcel tax included in district 2017-18 budget
  - Not included for 2018-19 and beyond

District Budget Overview

- After several years of healthy funding increases for schools, state is projecting very modest increases in future years
- Additional cost of employee pension plans will take large percentage of any new state funding coming to schools
- SLUSD pension costs will increase by about $1 million each year for next five years
- Ongoing federal assistance to local school districts is in question
  - Federal funds comprise about 4% of our General Fund

District Budget - Summary

Small increases in state funding

\+ Large increases in pension costs

\+ Uncertain federal funding

\+ Expiration of parcel tax

= Budget Cuts and Layoffs



Parcel Tax Resolution

- There are several items that the Trustees must consider prior to developing a resolution.

- Staff needs direction on the following six items:

Parcel Tax Discussion Item #1

- Does the Board wish to place a parcel tax on the ballot?

- If yes, continue…

Parcel Tax Discussion Item #2

- When does the Board want to hold an election?

  Options:
  - August – mail-in
  - November – regular election
  - Later date
- Election will cost about $300,000 for county to run election

Parcel Tax Discussion Item #3

- What amount does the Board want to ask for?

Rate	Projected Net Revenue
$39	$ 725,290
$39 + $39 ($78)	$ 1,457,840
$39 + $48 ($87)	$ 1,626,906
$39 + $58 ($97)	$ 1,814,758
$39 + $81 ($120)	$ 2,246,816

Parcel Tax Discussion Item #4

- What will be the term of the Parcel Tax? Will it have a sunset?

Parcel Tax Discussion Item #5

- Will the parcel tax have an senior exemption?

- Under current measure, seniors apply for extension once
- A consultant helps district with this process and ensures properties return to taxable status if home is sold

Parcel Tax Discussion Item #6

- What will be the purpose of the parcel tax?

- Programs to consider:
  - TK-3 Class Size Reduction (Grade Span Adjustment)
  - Library Multi-Media Centers
  - Athletics
  - Counseling
  - Elementary Music
  - Secondary Electives
  - Technology Services

Next Steps

- Larry Tramutola will review parcel tax survey results, discuss campaign considerations, and answer questions
- Community will have opportunity to ask questions and give input
- Staff is looking for Board direction to develop a resolution to be brought to May 9 meeting

Next Steps – Technical Issues

- Board must hold a Public Hearing prior to considering resolution
- The resolution must be filed at least 88 days prior to the election date

Questions or Comments?