

PIEDMONT UNIFIED SCHOOL DISTRICT

MEMORANDUM

TO: Board of Education

FROM: School Support Tax Advisory Subcommittee

DATE: May 9, 2018

RE: REPORT AND RECOMMENDATIONS FOR MEASURE A TAX LEVY FOR 2018-2019

Executive Summary and Recommendation

The School Support Tax Advisory Subcommittee **recommends** that the District levy the Measure A School Support Tax (Parcel Tax) at its maximum level in 2018-19, including assessment of the maximum 2% increase above the rate in 2017-18. The 2% increase, if adopted by the Board, is expected to yield the District **an additional \$204,206 in revenue**, for a total expected amount of \$10,414,490. (Assumes a base School Support Tax amount for the prior year of \$10,210,284 as reflected in the PUSD Second Interim Budget for 2017-18; actual tax revenue realized could vary, as it has in past years). On a per parcel basis, this increase would add **\$52.08** to the current per parcel levy of \$2,604, making the total tax levy per parcel **\$2,656 for 2018-19**.

Further, based on Staff's projections of the Ending General Fund Balance and Reserves for this fiscal year and the next two fiscal years out to 2019-20, the subcommittee recommends that the **entire** additional revenue raised by the recommended **2% increase** in the School Support Tax be put into the **Parcel Tax Fund**.

Basis of the Subcommittee's Recommendation

As it was charged, this Subcommittee reviewed the District's budget for 2017-18 and the Multiyear Projection Report which contained budgets for 2018-19 and 2019-20, presented at the Second Interim Budget presentation to the Board on March 14, 2018 (attached as Exhibit A). As you can see from projected budgets in 2018-19 and 2019-20 the district is expected to have \$62,447 above the 3% minimum Reserve in 2019-20 even with the parcel tax increase factored into the forecast.

The major factors contributing to this deficit are increases to CalSTRS and CalPERS "employer" contributions totaling \$466,000 per year in 2018-19 and an additional increase of \$480,000 per year in 2019-20.

Current average teaching salary is \$81,034 per year. Salaries for teachers and staff were increased by 1.5% in fiscal 2016-17. There were no increases in 2017-18 and there is no allowance for increases in 2018-19 or 2019-20.

The Board and Staff could alternatively make program cuts to cover the projected operating deficit. However, Measure A, when it was passed by a 76% - 24% margin, was clear in its stated goal of maintaining the “quality of Piedmont’s schools, to attract and retain qualified teachers, to protect programs in math, science and technology...”. The 2% increase in the tax levy allowed for in the Measure was designed to help ensure that the District would have the fiscal means to maintain this excellence.

Conclusion

On the basis of the current budget projections, consistent with the goal of Measure A to “maintain the quality of Piedmont’s schools”, **this Subcommittee recommends that the Board implement the School Support Tax for 2018-2019 at the current level *increased* by the full 2% increase in the tax levy allowed for under Measure A.**

Respectfully submitted,

School Support Tax Advisory Subcommittee, 2018-2019



Tom Snyder



Anne Bisagno

Attachments:

Exhibit A: Second Interim Budget 2017-18, presentation to the Board on March 14, 2018