

RESOLUTION NO. 18-11

A RESOLUTION OF THE BOARD OF EDUCATION OF THE LAGUNA BEACH UNIFIED SCHOOL DISTRICT IN OPPOSITION TO PROPOSITION 5 - PROPERTY TAX TRANSFER INITIATIVE

WHEREAS, California has the fifth largest economy in the world, and the largest Gross Domestic Product (GDP) of any state in the nation; and

WHEREAS, despite California's leadership in the global economy, the state falls in the nation's bottom quintile on nearly every measure of public K-12 school funding and school staffing; and

WHEREAS, K-12 school funding has not substantially increased, on an inflation-adjusted basis, for more than a decade; and

WHEREAS, local governments and community-funded school districts rely upon property tax revenues to support critical community services and students' education; and

WHEREAS, the housing-led Great Recession took a substantial toll on local property tax revenues that support local governmental services and community-funded school districts; and

WHEREAS, the modest education and local government funding increases since the Great Recession have been eroded by rapidly increasing costs for health care, pensions, transportation, and utilities; and

WHEREAS, Proposition 5—the Property Tax Transfer Initiative (2018)—would allow homeowners aged 55 and older (or severely disabled or disaster victims) to transfer their existing property tax base to any new home of any value, anywhere in the state, and any number of times; and

WHEREAS, the Legislative Analyst's Office, the Legislature's nonpartisan policy and fiscal advisor, estimates Proposition 5 would lead to annual property tax losses for local governmental services of more than \$100 million for the first few years to about \$1 billion per year; and

WHEREAS, the Legislative Analyst's Office estimates Proposition 5 would lead to annual property tax losses for school and community college districts of more than \$100 million for the first few years to about \$1 billion per year; and

WHEREAS, community-funded school districts rely nearly exclusively on local property taxes to fund their schools and would experience a real loss of property tax revenues should Proposition 5 be approved; and

WHEREAS, State General Fund revenues would be required to backfill the lost property tax revenues for state-funded school districts should Proposition 5 be approved, thereby reducing revenues for other critical health and safety net programs;

NOW, THEREFORE BE IT RESOLVED, that the governing board of the Laguna Beach Unified School District opposes Proposition 5—the Property Tax Transfer Initiative (2018).

On motion by Member Normandin, second by Member Brown;

PASSED AND ADOPTED by the Governing Board on September 25, 2018, by the following vote:

AYES:	5	Members:	Vickers, Perry, Brown, Normandin, and Wolff
NOES:	0	Members:	
ABSENT:	0	Members:	

STATE OF CALIFORNIA)
) ss
COUNTY OF ORANGE

I, Jan Vickers, President of the Governing Board, do hereby certify that the foregoing is a full, true, and correct copy of a resolution passed and adopted by the Board at a regularly called and conducted meeting held on said date.

WITNESSED my hand this 25th day of September 2018.



Jan Vickers, President

Date: September 26, 2018

Re: Laguna Beach Unified School District Opposition to Proposition 5 - Property Tax Transfer Initiative (2018)

To Whom It May Concern:


Please accept this letter and attached resolution from the Laguna Beach Unified School District opposing Proposition 5, the Property Tax Transfer Initiative. As a community-funded school district, Laguna Beach Unified School District receives the vast majority of our revenues from local property taxes. As noted by the Legislative Analysts Office, Proposition 5 would likely lead to lower property taxes, which harms school districts like ours who rely on those taxes as our primary revenue source.

As a community-funded district, we already experience volatility in our revenue collections due to the fluctuations associated with property tax collections and the many economic factors that affect them. The passage of Proposition 5 would add an additional factor in our already difficult revenue projection calculations that could be very harmful to our district. While we can anticipate that Proposition 5 would most certainly result in lower revenues for our district, the unpredictability of home sales and demographics by which they are produced from will create greater variances between our budget forecasts and actual revenues. In turn, it is likely that there may be large variances, which diminishes our efforts to maximize all available resources for our students and reduces our efforts to accurately forecast future budgets.

Respectfully Submitted,



Jan Vickers
School Board President



Jason Vilorio, Ed.D.
Superintendent