

TO: PIEDMONT UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION
FROM: SCHOOL SUPPORT TAX ADVISORY SUBCOMMITTEE
SUBJECT: REPORT AND RECOMMENDATIONS FOR MEASURE G AND MEASURE H TAX LEVIES FOR 2021-22
DATE: June 3, 2021

Executive Summary and Recommendation

The School Support Tax Advisory Subcommittee **recommends** that the District levy the Measure G School Support Tax (Parcel Tax) at its maximum level in 2021-22, including assessment of the maximum 2% increase above the rate in 2020-21. The 2% increase, if adopted by the Board, is expected to yield the District **an additional \$216,674 in revenue**, for a total expected amount of \$10,990,192. (Assumes a base School Support Tax amount for the current year of \$10,774,698 as reflected in the PUSD Second Interim Budget for 2020-21; actual tax revenue realized could vary, as it has in past years). On a per parcel basis, this increase would add **\$55.26** to the current per parcel levy of \$2,763, making the total tax levy per parcel **\$2,818.26 for 2021-22**.

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 2022-23, the subcommittee recommends that the **entire** additional revenue raised by the recommended **2% increase** in the School Support Tax be put into the **General Fund**. If the final budget for 2021-22 signed by the Governor generates more base LCFF revenue for the District than projected with the May Revision, the committee recommends setting aside the equivalent amount of School Support Tax revenues in the **Special Reserve Fund (Fund 17)**.

The School Support Tax Advisory Subcommittee **recommends** that the District levy the Measure H School Support Tax (Parcel Tax) at its current level in 2021-22 of **\$0.25 per square foot** of building improvements.

Basis of the Subcommittee's Recommendation

As it was charged, this Subcommittee reviewed the District's budget for 2020-21 and the Multiyear Projection Report which contained budgets for 2021-22 and 2022-23, presented at the Second Interim Budget presentation to the Board on March 10, 2021 (attached as Exhibit A) and confirmed during budget presentations for 2021-22. Even with the parcel tax increase

factored into the forecast, the District will need to identify over \$1,000,000 in reductions in 2022-23.

The major factors contributing to this deficit are the decline in enrollment and the increases to required contributions to State unemployment, CalSTRS and CalPERS.

Current average teaching salary is \$84,721 per year. Salaries for teachers and staff were increased by 3.50% in fiscal 2020-21 thanks to Measure H.

Without the increase, the Board and Staff would have to make program cuts to cover the projected operating deficit. However, Measure G, when it was passed by an 83% *for* to 17% *against* margin, was clear in its stated goal "To maintain the high quality of education in Piedmont schools, continue funding programs in math, science, technology, engineering, English, music, and arts, keep textbooks and instructional technology up to date, maintain smaller class sizes, and attract and retain qualified teachers..." 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 G to "maintain the quality of Piedmont's schools", and the goal of Measure H to provide critically needed funding to attract and retain high quality teachers and educational support staff, **this Subcommittee recommends that the Board implement the Measure G School Support Tax for 2021-22 at the current level *increased* by the full 2% increase in the tax levy, and Measure H School Support Tax at the current level.**

Respectfully submitted,

School Support Tax Advisory Subcommittee, 2020-21



Linda Morell



Betty Winnacker



Julie Caskey

Attachments: