

San Leandro Unified School District

Parcel Tax Exploration
November 15, 2011

Questions to Be Considered

- ▶ What are the timeline options?
- ▶ What are the highest priorities needs?
- ▶ What are the funding structure options?
- ▶ What is the community tax threshold?
- ▶ What is the community input process?
- ▶ What is the cost of the election?
- ▶ What is the communication plan?

Background

- ▶ Since 2008, the District has suffered a loss of more than \$11 million dollars or 15% of our entire budget
- ▶ We are the lowest revenue district in the county
- ▶ We are subject to the state's budget yoyo ride, depending almost exclusively on state revenue limit to fund our staff, programs, and services
- ▶ The prospect does not look any better for the near and distant future
- ▶ The Board has cut to the bone and into the bone and there is no more to cut
- ▶ Cuts slated to take place at the start of the 2012-2013 school year include:
 - Increase in K-3 class size from 28:1 to 32:1
 - Loss of middle school counselors
 - Loss of vice principals
 - Lack of funds for instructional materials
 - Reduction of custodians and clerical staff at the schools and district office

Timeline Options

- ▶ Resolution must be adopted by the Board at least 90 days before election date. Potential dates:

	<u>Deadline</u>
◦ April 10, 2012	January 11, 2012
◦ May 8, 2012 (Mail-in only)	February 8, 2012
◦ June 5, 2012	March 7, 2012
◦ August 28, 2012 (Mail-in only)	July X, 2012
◦ November 6, 2012	August 8, 2012

For funds to be available for 2012-2013 fiscal year, the election must be no later than the June election.

Funding Structure Options

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San Leandro Unified School District

Parcel Tax Analysis

Parcel data from California Municipal Statistics, Inc., for 2011-12

Parcel Square Footage and Number of Units from data provided by City of San Leandro in 2005

Hybrid - Per Parcel and Per Square Footage

Parcel Type	FY 2011-12 # of Parcels	City Data # of Units	City Data Sq Ft	Tax per parcel						
				\$48	\$59	\$76	\$98	\$124		
Single Family Homes										
SFR Owned by Non-Seniors	10,712		70,482,958	\$ 514,176	\$ 632,008	\$ 814,112	\$ 1,049,776	\$ 1,328,288		
Condo/Townhouse	2,361		5,839,984	113,328	139,299	179,436	231,378	292,764		
Other Residential (Vacant, Mobile Homes)	307			14,736	18,113	23,332	30,086	38,068		
TOTAL SINGLE FAMILY PER PARCEL TAX:				\$ 642,240	\$ 789,420	\$ 1,016,880	\$ 1,311,240	\$ 1,659,120		
				Tax per parcel						
				\$48	\$59	\$76	\$98	\$124		
Multifamily										
Multifamily Residential 2-4 Units	1,102	2,468	8,214,477	52,896	65,018	83,752	107,996	136,648		
Multifamily Residential 5+ Units	291	6,616	8,388,087	13,968	17,169	22,116	28,518	36,084		
TOTAL MULTIFAMILY PER UNIT TAX:				\$ 66,864	\$ 82,187	\$ 105,868	\$ 136,514	\$ 172,732		
				Tax per square foot						
				\$0.005	\$0.008	\$0.010	\$0.012	\$0.015		
Non-Residential (see detail below)										
Commercial (including vacant parcels)	823		24,142,867	\$ 120,714	\$ 193,143	\$ 241,429	\$ 289,714	\$ 362,143		
Industrial (including vacant parcels)	698		62,287,245	311,436	498,298	622,872	747,447	934,309		
TOTAL NON-RESIDENTIAL PER SQ. FT. TAX	1,521		86,430,112	\$ 432,151	\$ 691,441	\$ 864,301	\$ 1,037,161	\$ 1,296,452		
GRAND TOTAL				\$ 1,141,255	\$ 1,563,048	\$ 1,987,049	\$ 2,484,915	\$ 3,128,304		
Exempt										
SFR Owned by Seniors ⁽¹⁾	3,851		25,338,860							
Other/Tax-Exempt	57		120,153,258							
	3,908		145,492,119							
Total Parcels & Square Footage:	20,202		324,847,737							

Detail on Non-Residential (Commercial and Industrial) Properties

	# of Parcels	Sq Ft	Tax per square foot							
			\$0.005	\$0.008	\$0.010	\$0.012	\$0.015			
Commercial (including vacant parcels)										
Commercial (including vacant parcels)	823	24,142,867	\$ 120,714	\$ 193,143	\$ 241,429	\$ 289,714	\$ 362,143			
Median commercial parcel		10,204	51	82	102	122	153			
Average commercial parcel		30,755	154	246	308	369	461			
Largest commercial parcel		1,306,267	6,531	10,450	13,063	15,675	19,594			
Industrial (including vacant parcels)										
Industrial (including vacant parcels)	698	62,287,245	\$ 311,436	\$ 498,298	\$ 622,872	\$ 747,447	\$ 934,309			
Median industrial parcel		35,870	179	287	359	430	538			
Average industrial parcel		92,827	464	743	928	1,114	1,392			
Largest industrial parcel		2,300,406	11,502	18,403	23,004	27,605	34,506			

(1) Assumes all Seniors take exemption. Number of Senior-owned homes estimated based on 2010 U.S. Census "Tenure by Age of Householder, Owner-occupied housing units 65 years and older".

2012–2013 Budget Reductions

- ▶ Explore ideas of what the funds will be used for:
 - The needs are many:

K-3 class size from 28:1 to 32:1 (est. 6-7 FTEs)	\$	420,000
Eliminate middle school counselors (4.6 FTEs)	\$	413,000
Eliminate elementary library para-educators (2.66 FTEs)	\$	73,000
Eliminate 50% of elementary instrumental music	\$	85,000
Eliminate elementary/middle school vice principals (1.0 FTE)	\$	116,000
Eliminate partial Maintenance administration (.20 FTE)	\$	19,000
Eliminate partial custodial (1.0 FTE) and clerical support (.25 FTE)	\$	59,000
Eliminate Lighthouse staff (1.0 FTE)	\$	64,000
Eliminate campus security (2.0 FTEs)	\$	90,000
TOTAL	\$	1,339,000

Potential Impact to Budget if Trigger is Pulled by Legislature: Additional Reductions to SLUSD = \$2.2M

- ▶ Elimination of Athletics
- ▶ Eliminate Adult School
- ▶ Further reduce District Office
- ▶ Eliminate Maintenance and Operations
- ▶ Close secondary libraries
- ▶ Eliminate specialized program at Garfield
- ▶ Share Principals among two schools
- ▶ Shorten School Year

Community Polling/Questionnaire

- ▶ Polling conducted by trained interviewers representing district demographics
- ▶ Questionnaire takes about 10-12 minutes
- ▶ Approximately 400 interviews will be conducted
- ▶ Sample population will include:
 - Registered voters, registered parents
- ▶ Explore voters' response to the cost, scope and benefits of a school parcel tax

Steps to Conducting the Questionnaire

1. Gather information from district about how funds might be used
2. Draft of questionnaire reviewed by District
3. Questionnaire revised based upon feedback
4. Interviews conducted
5. Preliminary results shared with Board
6. Final report with recommendation presented to Board

Cost of the Election

▶ Mail-in: \$147,400 - \$179,400

▶ Election: \$116,400 - \$179,400

▶ Community Questionnaire: \$22,500

(Balance of the district election account: \$79,000)

Communication Plan

- ▶ Who needs to know what and how does the community provide input?
 - Parents
 - Community
 - City of San Leandro
 - Chamber of Commerce
 - Home Owner Associations
 - Rental Housing Authority
 - Staff
 - Non-Profits & Service Organizations
 - Community Forums

Process Details

Prepare to place measure on the ballot:

- ▶ Organize community/district leaders into informal committee – develop budget & direction for campaign, including campaign consultant
- ▶ Solicit parent, teacher, administrator, public comments and support
- ▶ Administer community poll/questionnaire
- ▶ Develop proposal for ballot measure (including amount of parcel tax and specific users of tax proceeds)
- ▶ First reading of possible ballot measure

Process Details

Place measure on the ballot:

- ▶ Final reading of possible ballot measure
- ▶ Board adopts resolution ordering an election to approve special tax
- ▶ Resolution delivered to County Office of Education
- ▶ Notice of election is properly posted
- ▶ Specifications of election order delivered to County Registrar of Voters

Process Details

Place measure on the ballot (cont.):

- ▶ Draft ballot arguments
- ▶ Fundraise
- ▶ Submit argument and rebuttal (if needed) for measure
- ▶ County counsel prepares an impartial analysis of the measure
- ▶ Sample ballot and voter materials mailed by Registrar of Voters
- ▶ Election is held

Process Details

Post Election (assuming measure passes):

- ▶ Board certifies election proceedings
- ▶ District collects senior exemptions
- ▶ District requests County Tax Collector to levy a parcel tax as authorized
- ▶ County adopts tax rates and distributes property tax notices
- ▶ Parcel taxes collected and credited to District

DISCUSSION

AND

NEXT STEPS