

Staff Report and Review of Possible Parcel Tax Measure

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Scotts Valley Unified School District

Background

SVUSD is experiencing a structural deficit due to a combination of factors:

- * Drastic reductions in state funding;
- * Use of one-time monies to delay devastating cuts to programs (categorical funding flexibility from the State Department of Education will end for the 2012-13 school year)



Scotts Valley Unified School District

Background

Projected shortfall of revenue
for 2012–2013:

- * \$507,000
- * This amount may increase pending possible mid-year budget reductions in 2011–2012.

Projected shortfall of revenue
for 2013–2014:

- * \$606,000
- * We don't yet know the full impact of the state budget, but we do know that the State's fiscal condition remains in crisis and that we can expect reductions before we see significant increases in K–12 funding.



Scotts Valley Unified School District

Background

Funding

- * The state is not resolving our funding crisis; it is up to us;
- * State law prohibits school districts from raising revenue locally except through a parcel tax or bond measure. Bond funds may only be used for facilities purposes.



Scotts Valley Unified School District

Feasibility Study for an Education Parcel Tax Measure

Tax Rate

- * The study tested voter strength of rates between \$48 and \$96.
- * Voter strength was strongest below \$96 per parcel.

Duration

- * A shorter term measure – 3 to 5 years – had the greatest voter strength.



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Feasibility Study for an Education Parcel Tax Measure

Features of the Measure

- * Greatest Voter Interest:
 - * Maintain math and science skills in all grades;
 - * Maintain reading and writing skills in all grades;
 - * Attract and retain highly qualified teachers;
 - * Keep school libraries open and maintain services;
 - * Prevent layoff of qualified teachers;
 - * Prepare students for college or careers;
 - * Maintain history and social science skills;
 - * Maintain academic counseling programs.



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Feasibility Study for an Education Parcel Tax Measure

Addressing Voter Concerns

- * Rules to direct the spending of money from the measure:
 - * Create allocation of parcel tax funds for each feature:
 - * Maintain math and science skills in all grades; 10%
 - * Maintain reading and writing skills in all grades; 10%
 - * Attract and retain highly qualified teachers; 20%
 - * Keep school libraries open and maintain services; 15%
 - * Prevent layoff of qualified teachers; 28%
 - * Prepare students for college or careers; 7%
 - * Maintain history and social science skills; 4%
 - * Maintain academic counseling programs - 6%



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Feasibility Study for an Education Parcel Tax Measure

Addressing Voter Concerns

- * Some employee salaries increase automatically each year.
 - * Employee compensation increases per the District's adopted salary schedules including steps (years of service) and columns for some employee groups (increasing education and qualifications).
 - * With "flat" funding and no COLA adjustments year after year, even the incremental increases in compensation have not kept up with increased cost of living i.e. significant higher cost of health benefits for both the District and the employees.



Scotts Valley Unified School District

Feasibility Study for an Education Parcel Tax Measure

Addressing Voter Concerns

- * Trust for the School District to manage funds:
 - * The case for excellent fiscal management is made by District-adopted budgets that are positive in certification. There are no independent audit findings in the District's management of revenue and expenditures.
 - * Every staff member has made the commitment to help keep the District remain solvent by taking pay reductions due to furlough days. Remarkably, the furlough days are taken during staff contract days that do not shorten the students' educational day or year in 2011–2012. SVUSD is one of few Districts who have chosen to protect the 180 day instructional year. Staff are commended for making our students' education top priority.
 - * PTA / PCs and SVEF provide incredible ongoing support to our programs and direct support to our classrooms. Our needs are so vast due to drastic reductions in state funding that we are compelled to consider more comprehensive funding initiatives.
 - * Without support for the projected shortfall for next year, it is likely that more furlough days, reductions in services and programs will need to be discussed.



Scotts Valley Unified School District

Feasibility Study for an Education Parcel Tax Measure

Addressing Voter Concerns

- * Economic crisis; is this the time to raise taxes?
- * The ongoing challenges in our economy highlight the need for community participation in the decision to ask for an education parcel tax measure.
- * To prevent a reduction in program and services to our students who are our purpose and our future, the time to act is now. District staff have made it work through tough decisions and every employee accepting a pay reduction. We need help to maintain our current level of program and services.



Scotts Valley Unified School District

Feasibility Study for an Education Parcel Tax Measure

Addressing Voter Concerns

- * Governor may invoke mid-year reductions if state revenues do not reach specified levels.
- * Without completing the first interim budget and having critical information from the state we are only able to project shortfalls in our multi-years with the data we currently have.
- * We continue to monitor fiscal reports and news from the state in order to provide the best estimates for consideration.



Scotts Valley Unified School District

Feasibility Study for an Education Parcel Tax Measure

Addressing Voter Concerns

- * School District should merge with another District to reduce costs.
- * There are agreements between some Districts and SVUSD at this time to share the costs of some services such as nutrition and transportation. We look for opportunities to deliver services in the most cost effective way possible.
- * Consolidating is a larger matter and beyond the scope of the question concerning an education parcel tax measure. Some surrounding Districts have parcel tax and bond measures in place that assist with funding programs and services. SVUSD does not have any additional funding and is one of the lowest funded revenue limit Districts due to its “rural” designation.



Scotts Valley Unified School District

Feasibility Study for an Education Parcel Tax Measure

Possible Revenue Projections

Parcel Tax	Senior/Disabled Exempt @ 10%	Senior/Disabled Exempt @ 15%	Senior/Disabled Exempt @ 20%
Total Parcels	7,405	7,405	7,405
Senior Exempt	741	1,111	1,481
Subject Parcels	6,664	6,294	5,924
Amount of Tax	\$96	\$96	\$96
Revenues	\$639,744	\$604,224	\$568,704
Amount of Tax	\$72	\$72	\$72
Revenues	\$479,808	\$453,168	\$426,528
Amount of Tax	\$48	\$48	\$48
Revenues	\$319,872	\$302,112	\$284,352



Scotts Valley Unified School District

Next Steps

Tonight

- * Board Members will discuss their interests and the feasibility of an Education Parcel Tax Measure;
- * Board Members will confirm key dates with staff;
- * Board Members will continue to receive input from staff and the community.



Scotts Valley Unified School District

Next Steps

Key Dates

- * Oct. 20 – Community Meeting at Bruno’s, 2nd floor, 6:30–8:00 p.m.
- * Oct. 25 – Board Meeting; Public Hearing for community input regarding a possible education parcel tax measure.
- * Nov. 3 – Community Meeting at the Community Center, 6:30–8:00 p.m.
- * Nov. 15 – Board Meeting; staff recommendation and vote on resolution to authorize an election for an education parcel tax measure



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