



Local Funding Options: Parcel Tax

Board of Trustees Meeting
February 9, 2012



Parcel Tax Information



What is a parcel tax?

- A parcel tax is a qualified special tax authorized by two-thirds of voters in the District that applies “uniformly” to a real property within the District. A parcel tax is not an ad valorem tax, in other words it is not based on the value of a parcel.



How long can a parcel tax be levied?

- There are no limits on the length of a parcel tax, most parcel taxes last five or six years, some are permanent.



Does a parcel tax have to be a flat rate?

- This is an area of the law that is somewhat unclear.
- A parcel tax can be based on the square footage of a parcel and/or the land use classification of a parcel.
- Two such parcel taxes were challenged in court and upheld, but both are now in the appellate courts.



Can a parcel tax have exemptions?

- A parcel tax may, but need not, contain exemptions for senior citizens and those receiving Supplemental Security Income for disability.



What can a parcel tax be used for?

- There are no limits on the use of parcel tax proceeds, as long as they are spent for the programs described in the parcel tax measure before the voters.



Who calls for a parcel tax measure?

- A majority vote of the Board of Trustees. No signature requirements apply to school districts.



When can a parcel tax measure be called?

- At a minimum, a parcel tax measure must be called 90 days in advance of the election date.
- A parcel tax can be on a regularly called election ballot or a special election ballot.
- A parcel tax election can be by mail.
- Example: June 5, 2012 Primary – March 7, 2012



Can District funds be used to develop a parcel tax measure?

- District funds can be used to develop and plan for the parcel tax measure, however, once the election is called, District funds can only be used for informational activities.



Parcel Tax History

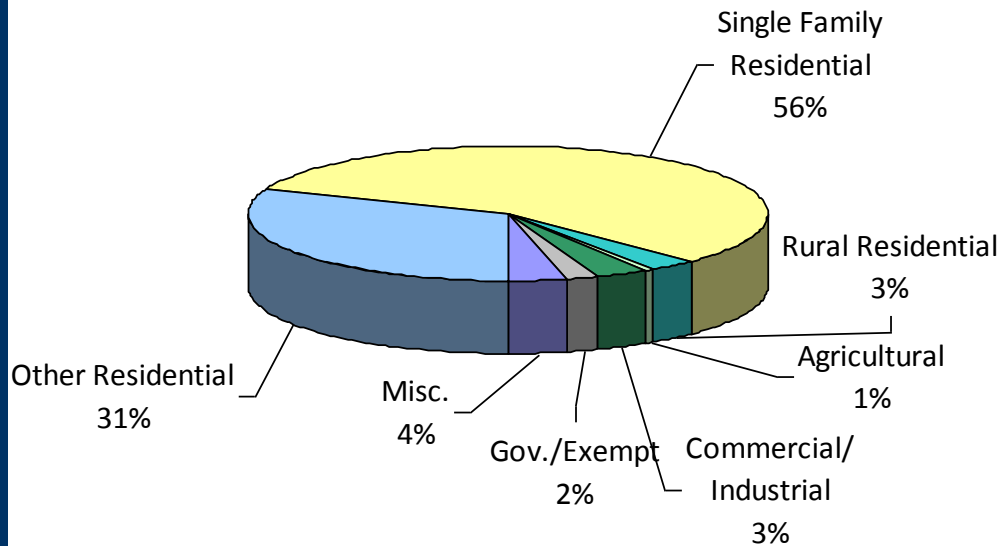
“Quality Public Education Preservation Act of 2005”

- Attracting and retaining quality teachers and staff
- Enhancing literacy and reading instruction
- Improving science and math programs
- Maintaining library services

Date of Election	Election Type	Purpose	Proposed Parcel Tax	Vote in Favor	Passed	Vote Required	Students
Mar-05	Parcel Tax	Attract and retain teachers, strengthen curricula	\$97/parcel for 4 years	66.40%	no	66.70%	7,129



District Land Use by Parcels



Land Use	Count
Other Residential	4,889
Single Family Residential	8,859
Rural Residential	495
Agricultural	84
Commercial/ Industrial	507
Gov./Exempt	308
Misc.	573
Total Parcels	15,715



Analysis of Parcel Tax Revenues (without voluntary exemptions)

Tax Level	Estimated Revenue
\$50	\$770,350
\$75	\$1,155,525
\$100	\$1,540,700
\$125	\$1,925,875
\$150	\$2,311,050
\$175	\$2,696,225
\$200	\$3,081,400
\$225	\$3,466,575
\$250	\$3,851,750
\$275	\$4,236,925
\$300	\$4,622,100



Parcel Amount & Programs

- Polling
- Community Support – Programs of Interest
- Amount per Parcel
 - Flat amount
 - Square footage
 - Differentiation of property type



When to Call an Election

- Governor's Budget 2012-13
 - Current risk approximately \$370 or more per ADA = \$2,000,000+
 - District cash flow and budget
- Availability of Funds
 - Prior to June 30, 2012 – tax added to 2012-13 assessments and funds can be budgeted
 - After June 30, 2012 – tax added to the 2013-14 assessments and funds cannot be budgeted until 2013-14
- June 5, 2012 Statewide Primary Election
- November 6, 2012 Statewide Presidential Election
- Other



Campaign Committee

- Formation
 - Active members
 - Honorary members
- Funding Needed
 - Estimated need of \$50,000 - \$60,000
- Funding Sources
 - District Vendors
 - Local Businesses
 - Community
- Political Consultant



Considerations

- After consecutive years of state budget cuts that directly impact teachers and students in Cotati and Rohnert Park, we must take action to protect the quality of our local schools.
- Sacramento has had years to fix the state's ongoing budget crisis and adequately fund local schools, yet no credible solutions have emerged.
- Our choices are either to continue and sit and wait for Sacramento to fix the problem or take matters into our own hands to stabilize funding for our own schools.



Considerations

- The only option left is to ask local voters to approve a local funding measure to provide stable, local funding that the state cannot take away.
- A local funding measure would enhance local control of our schools by providing funding that we control and the state cannot take away.
- Many of our neighboring school districts have taken this approach (including Petaluma and Novato) and have relied on that stable source of local voter-approved funding to protect against the worst budget cuts.



Considerations

- Before we ask the community to undertake such an effort and incur the cost of an election, we must make sure that we have a reasonable chance for success.
- This modest investment of district funds will help ensure that we are on the right path to making our schools less dependent on Sacramento and able to provide quality education for local students in the years to come.



Feasibility Study Proposal

- Recommended by Planning Team
 - TBWB Strategies: Charles Heath
 - Polling
 - Target June 5, 2012 Election



Feasibility Study Costs

TBWB Strategies Consultation	\$12,500
Polling	<u>\$20,500</u>
	\$33,000
Informational Brochures	\$15,349
Election Costs	\$37,000 - \$74,000
(current estimated range of \$1.50-\$3.00 per voter)	