

# SRVUSD PARCEL TAX 2014-2015 ANNUAL REPORT

Parcel Tax Oversight Committee

Presented by: Shelley Clark and Sandra Lepley

February 23, 2016

# Parcel Tax Oversight Committee Members

- ▶ Debbie Choy
- ▶ Shelley Clark, Chairperson
- ▶ Claire Ferguson
- ▶ Nori Gleeman
- ▶ Larry Kupeli
- ▶ Sandra Lee Lepley
- ▶ Andy Li
- ▶ Ketan Patel
- ▶ Bridget Pelley
- ▶ Lata Reddy
- ▶ Scott Anderson - SRVUSD staff assisting PTOC
- ▶ Mark Jewett - SRVUSD Board Member Liaison

# Why Do We Need a Parcel Tax?

- ▶ State revenues for schools, although “guaranteed” at a certain percentage of the overall state budget, are subject to significant fluctuations due to economic conditions
- ▶ Parcel taxes have been approved across the state to help districts protect core programs and provide additional educational opportunities as approved by the local community

# Background Information About the Parcel Tax

- ▶ From 2008-09 through 2012-13, school district revenues were subject to deficits that grew to over 20%, severely limiting districts' ability to continue a broad range of educational opportunities
- ▶ SRVUSD voters approved the parcel tax to offset some of that loss
- ▶ Although the recovering economy has restored some of the school district's purchasing power, when the Local Control Funding Formula target is reached in 2020-21, it will only equal 2008-09 levels
- ▶ At that time, the parcel tax will again be an important revenue source to protect core services

# History of SRVUSD Parcel Tax

- ▶ Measure C approved in 2009 for seven years authorized \$144 tax per parcel
- ▶ Measure C expires in the 2015-2016 fiscal year
- ▶ Measure A was approved by the voters in 2015 to extend the \$144 tax per parcel for nine years
- ▶ The parcel tax generated \$6,837,192 for the 2014-2015 fiscal year

# Measure C Ballot language specifies:

- ▶ Parcel Tax Funds Will:
  - ▶ Address the impact of cuts in the State's education budget on teachers, classroom programs and student services
  - ▶ Maintain academic excellence
  - ▶ Retain qualified and experienced teachers
  - ▶ Prepare students for college and careers for a global economy
  - ▶ Maintain math, science, literacy and other academic programs
  - ▶ Provide other financial support, such as the purchase of instructional equipment, materials and supplies
- ▶ Parcel Tax Funds Will Not:
  - ▶ Pay for Administrators' salaries

# Measure C Specifies a PTOC

## Parcel Tax Oversight Committee (PTOC)

### Responsibilities:

- ▶ Provide oversight for the SRVUSD School Board on the expenditures funded by the parcel tax in order to ensure that the funds are spent for the purpose approved by the voters
- ▶ Monitor the expenditures of the parcel tax by the District and will report on an annual basis to the Board and community on how the parcel tax funds have been spent

Source: SRVUSD Resolution 02/09-10

# Accountability Model Developed to Validate Use of Parcel Tax Funds

- ▶ Entire budget reviewed utilizing a detailed mathematical analysis to ensure parcel tax revenues were used to fund eligible expenses (e.g. teachers' salaries, and other instructional expenses)
- ▶ While the model was very thorough and enabled the PTOC to conclude that the parcel tax funds were used appropriately, a more direct mapping of parcel tax funds to specific expenses was desired

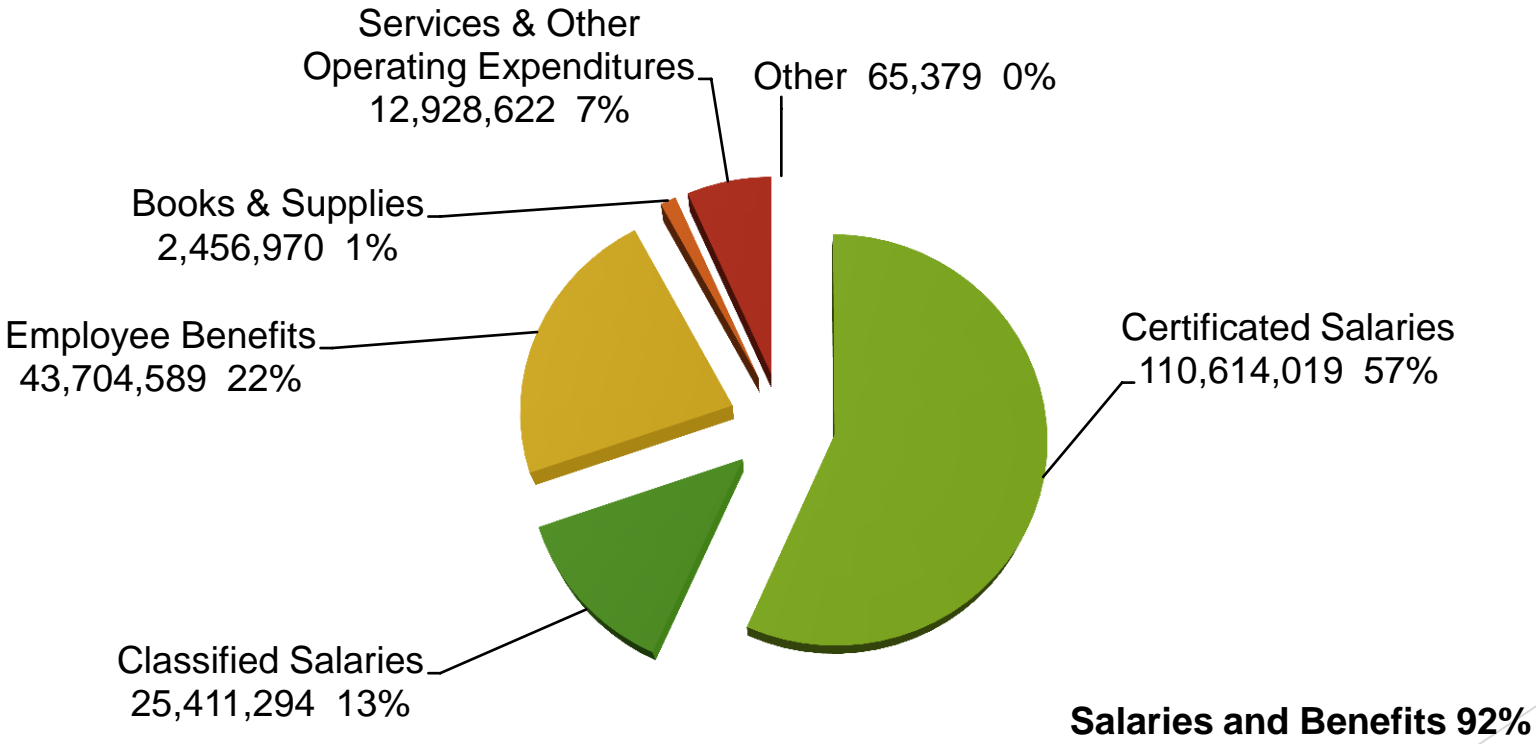


# Transition to New Model

- ▶ In early 2015, the committee began investigating a new model that would map parcel tax revenues to specific expenses
- ▶ State accounting procedures provide resource codes to track specific revenue sources and associated expenditures throughout a fiscal year
- ▶ An account code has been in use to record parcel tax revenues received by the district
- ▶ PTOC can review the District's financial reports through the fiscal year to ensure that identified expenditures are consistent with parcel tax ballot language

# Salaries and Benefits represent 92% of total unrestricted expenditures

## Unrestricted Expenditures 2014-15



**Salaries and Benefits 92%**

Total Unrestricted Expenditures \$195,180,873

Parcel Tax funded 3.5% of unrestricted expenditures

# Use of Parcel Tax Funds

- ▶ In 2014-15 SRVUSD received \$6,837,192 in parcel tax revenue
- ▶ These revenues funded 73.8 FTE classroom teachers (salaries and benefits) using the following account codes:

Code	Description	Elementary	Middle School	High School	Total (\$)
1111	Salary	2,416,529	1,300,886	1,612,083	5,329,498
3101	Pension	214,588	115,519	143,153	473,260
3311	Medicare	35,040	18,863	23,375	77,278
3401	Health	383,503	206,450	55,838	845,791
3501	SUI	1,208	650	806	2,664
3601	WComp	<u>49,288</u>	<u>26,533</u>	<u>32,880</u>	<u>108,701</u>
<b>Total</b>		<b>3,100,156</b>	<b>1,668,901</b>	<b>2,068,135</b>	<b>6,837,192</b>
<b>Classroom FTEs</b>		<b>33.5</b>	<b>18.0</b>	<b>22.3</b>	<b>73.8</b>
<b>Percent</b>		<b>45.4%</b>	<b>24.4%</b>	<b>30.2%</b>	<b>100%</b>

# Conclusion

Based on the PTOC's analysis of the District's audited 2014-15 financials, the PTOC concludes that the parcel tax funds were spent within the purpose of the parcel tax measure for the 2014-15 fiscal year and that no administrative salaries were funded with these revenues