

BERKELEY UNIFIED SCHOOL DISTRICT

TO: Enikia Ford Morthel, Superintendent
FROM: Kathy Fleming, Director of Local Resources
DATE: February 1, 2023
SUBJECT: Resolution 23-019 to establish the 2023-24 tax rate for the Berkeley Public Schools Educator Recruitment and Retention Act of 2020 and Revenue Projection for FY 2023-24

BACKGROUND INFORMATION:

The legislation establishing the *Berkeley Public Schools Educator Recruitment and Retention Act of 2020* (Measure E of 2020) authorizes the levy of a special tax as stipulated in Section 3 of the Measure. The revenues raised by the Measure are to be used to recruit and retain qualified teachers and staff for the Berkeley Unified School District (“District”) by providing funding, as specified in the Measure, to improve Berkeley public school educator salaries and address hard-to-staff positions.

Tax Rate: This Measure authorized the District to levy a special tax beginning July 1, 2020, and continuing for a period of twelve (12) years (“Special Tax”) on Parcels of Taxable Real property in the District. The Special Tax was initially levied at the rate of 12.4 cents (\$0.124) per square foot on the Square Footage of all Improvements and \$25 per parcel on all Unimproved Parcels (“Rate”).

Cost Of Living Adjustment: Beginning with the 2021-22 tax year (the second year of assessment of the Special Tax), and each year thereafter, at the direction of the Board, the Rate may be increased from the Rate levied in the prior tax year by a cost-of-living adjustment equal to the annual average percentage change in the Bay Area Consumer Price Index – All Urban Consumers, San Francisco-Oakland-San Jose area over the prior twelve months, as of December 1 of the prior fiscal year, as published by the U.S. Bureau of Labor Statistics.

The statutory cost-of-living adjustment (COLA), based on the Bay Area Consumer Price Index - All Urban Consumers, San Francisco-Oakland-San Jose over the prior twelve months, as of December 1, 2022, is **4.9** percent.

POLICY/CODE:

Berkeley Public Schools Educator Recruitment and Retention Act of 2020 (Measure E of 2020)

FISCAL IMPACT:

Revenues are projected to be \$11,200,000 for FY 2023-24

STAFF RECOMMENDATION:

Adopt the approved resolution setting the tax rate for the *Berkeley Public Schools Educator Recruitment and Retention Act of 2020* (Measure E of 2020) for FY 2023-24.

**BERKELEY UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 22-019**

**TO ESTABLISH THE 2023-24 TAX RATE FOR THE “BERKELEY PUBLIC SCHOOLS
EDUCATOR RECRUITMENT AND RETENTION ACT OF 2020”
(Measure E of 2020)**

WHEREAS, in March 2020, the voters of the City of Berkeley adopted legislation, "Berkeley Public Schools Educator Recruitment And Retention Act Of 2020" (Measure E of 2020) which levies a Special Tax for particular uses by the Berkeley Unified School District, including to recruit and retain qualified teachers and staff for the Berkeley Unified School District (“District”) by providing funding, as specified in the Measure, to improve Berkeley public school educator salaries and address hard-to-staff positions, and

WHEREAS, Section 3B of the Measure states:

Beginning with the 2021-22 tax year (the second year of assessment of the Special Tax), and each year thereafter, at the direction of the Board, the Rate may be increased from the Rate levied in the prior tax year by a cost-of-living adjustment equal to the annual average percentage change in the Bay Area Consumer Price Index - All Urban Consumers, San Francisco-Oakland-San Jose area over the prior twelve months, as of December 1 of the prior fiscal year, as published by the U.S. Bureau of Labor Statistics, and

WHEREAS, the rate authorized for this Special Tax for Fiscal Year 2022-2023 was established as a levy of **\$0.1317** per square foot on the Square Footage of all Improvements and **\$26.56** per parcel on all Unimproved Parcels (“Rate”), and

WHEREAS, according to the U.S. Bureau of Labor Statistics. the annual average percentage change in the Bay Area Consumer Price Index - All Urban Consumers, San Francisco-Oakland-San Jose area over the prior twelve months, as of December 1 of 2022 was **4.9** percent,

NOW, THEREFORE, BE IT RESOLVED that that an authorized COLA of **4.9%** be applied to the rate of FY 2022-2023, therefore a tax rate for the *Berkeley Public Schools Educator Recruitment And Retention Act Of 2020* in FY 2023-2024 shall be authorized to be levied at the rate of **\$0.1382** per square foot on the Square Footage of all Improvements, including all Buildings and Structures, on Parcels of Taxable Real property in the District, and **\$27.86** per parcel on all Unimproved Parcels.

APPROVED AND ADOPTED by the Board of Education on the 1st of February, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jennifer Shanoski
Clerk, Board of Education
Berkeley Unified School District
Alameda County, State of California

BERRA Measure E of 2020
FY 2023-24 Revenue Projection
Projected Revenue 2023-24 (4.9% COLA) Allocation 02/01/2023

Resource	Projected Budat 2023-24	6.44% Indirect Cost	Net Revenue	
Revenue				
County Tax Collections	\$ 11,200,000			
City of Berkeley Tax Collections	\$ 40,000			
Rebates	\$ (35,000)			
Interest	\$ 40,000			
Reserve 0600	\$ -			
Total Projected Revenue	\$ 11,245,000			
Expenses				
County Preparation & Collection Fees	\$ 190,000			
City of Berkeley Fees	\$ 15,000			
Audit Expense	\$ 8,000			
Total Expenses 0600	\$ 213,000			
Net Revenue	\$ 11,032,000			
Available for Allocation	\$ 11,032,000			
Planning and Oversight 0610	1.00% \$ 110,320			
Net Available for Allocation	\$ 10,921,680	\$ (660,801)	\$ 10,260,879	
Resource Allocation				
Resource	%	2023-24	Indirect Cost	Net Revenue
Educator Recruitment, Retention, and Development Programs 0615	5.00%	\$ 546,084	\$ (33,040)	\$ 513,044
Educator Compensation 0620/ 8620	95.00%	\$ 10,375,596	\$ (627,761)	\$ 9,747,835
Net Resoruce Allocation	100.00%	\$ 10,921,680	\$ (660,801)	\$ 10,260,879
Planning and Oversight		\$ 110,320	\$ -	\$ 110,320
Total Allocation to All Resources		\$ 11,032,000	\$ (660,801)	\$ 10,371,199

Assumptions

Indirect Cost does not apply to Public Information/P&O Committee, Resource 0610
4.9% COLA