

# BERKELEY UNIFIED SCHOOL DISTRICT

**TO:** Enikia Ford Morthel, Superintendent  
**FROM:** Kathy Fleming, Director of Local Resources  
**DATE:** February 1, 2023  
**SUBJECT:** Resolution 23-018 to establish the 2023-24 tax rate for the *Berkeley Public Schools Educational Excellence Act of 2016* (Measure E1 of 2016) and Revenue Projection for FY 2023-24

## **BACKGROUND INFORMATION:**

The legislation establishing the *Berkeley Public Schools Educational Excellence Act of 2016* (Measure E1 of 2016) authorizes the levy of a special tax as stipulated in Section 4 of the Measure.

**A. Tax Rate:** Measure E1 of 2016 authorized the District to levy a Special Tax of thirty-seven cents (\$0.37) per square foot on all Improvements beginning July 1, 2017, and continuing for a period of eight (8) years. This Special Tax shall be levied on the Square Footage of all Improvements, including all Buildings and Structures, on Parcels of Taxable Real property in the District.

The revenues raised by the special tax are to be used to improve the educational achievement of Berkeley Unified School District's ("District") public school students by providing high quality educational programs as specified by the Measure.

**B. Cost Of Living Adjustment:** Beginning in 2018-19, the second year of assessment of the Special Tax, and each year thereafter, an annual cost-of-living increase in the rate is permitted to maintain the programs. This increase was not applied in the first year of the Measure, but in subsequent years 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:**

The *Berkeley Public Schools Educational Excellence Act of 2016*, (Section 4)

## **FISCAL IMPACT:**

Revenues are projected to be \$37,100,000 for FY 2023-24

## **STAFF RECOMMENDATION:**

Adopt the approved resolution setting the tax rate for the *Berkeley Public Schools Educational Excellence Act of 2016* for FY 2023-24.

**BERKELEY UNIFIED SCHOOL DISTRICT  
RESOLUTION NO. 23-018**

**TO ESTABLISH THE 2023-24 TAX RATE FOR THE “BERKELEY PUBLIC SCHOOLS  
EDUCATIONAL EXCELLENCE ACT OF 2016”  
(Measure E1 of 2016)**

**WHEREAS**, in November 2016, the voters of the City of Berkeley adopted legislation, "Berkeley Public Schools Educational Excellence Act of 2016" (Measure E1 of 2016) which levies a Special Tax for particular uses by the Berkeley Unified School District, including class size reduction, school libraries, teacher training, student support, music programs, instructional technology, and other designated purposes; and,

**WHEREAS**, Section 4 of the Measure states:

*...the rate shall 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 **\$0.4336** 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,

**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 Educational Excellence Act of 2016* in FY 2023-2024 shall be authorized to be levied at the rate of **\$0.4548** per square foot on the Square Footage of all Improvements, including all Buildings and Structures, on Parcels of Taxable Real property in the District.

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

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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

**BSEP/Measure E1 of 2016**  
**FY 2023-24 Revenue Projection**  
**Projected Revenue 2023-24 (4.9% COLA) Allocation 02/01/2023**

	Resource	%	Projected Budget 2023-24	Indirect Costs 6.44%	Net	
<b>Revenue</b>						
	County Tax Collections		\$ 37,100,000			
	City of Berkeley Tax Collections		\$ 150,000			
	Rebates		\$ (125,000)			
	Interest		\$ 85,000			
	Reserve		\$ -			
	<b>Total Projected Revenue</b>		<b>\$ 37,210,000</b>			
<b>Expenses</b>						
	County Preparation & Collection Fees		\$ 640,000			
	City of Berkeley Fees		\$ 40,000			
	Audit Expense		\$ 8,000			
	<b>Total Expenses</b>		<b>\$ 688,000</b>			
	<b>Net Revenue</b>		<b>\$ 36,522,000</b>			
	<b>Available for Allocation</b>		\$ 36,522,000			
	Public Information/P&O	0754	2.00%	\$ (730,440)		
	<b>Net Available for Allocation</b>		<b>\$ 35,791,560</b>	\$ (2,165,517)	<b>\$ 33,626,043</b>	
<b>Resource Allocation</b>						
	<b>High Quality Instruction</b>	0741	66.00%	\$ 23,622,430	\$ (1,429,241)	\$ 22,193,188
	<b>Essentials for Excellence</b>					
	School Site Programs	0752	10.25%	\$ 3,668,635	\$ (221,966)	\$ 3,446,669
	Libraries	0761	7.25%	\$ 2,594,888	\$ (157,000)	\$ 2,437,888
	Music/VAPA	0753	6.25%	\$ 2,236,973	\$ (135,345)	\$ 2,101,628
	Instructional Technology	0762	3.25%	\$ 1,163,226	\$ (70,379)	\$ 1,092,846
	<b>Effective Student Support (a)</b>					
	Counseling	0764	2.15%	\$ 769,519	\$ (46,559)	\$ 722,960
	Student Achievement Strategies	0763	4.85%	\$ 1,735,891	\$ (105,028)	\$ 1,630,863
	<b>Net Resource Allocation</b>		100.00%	\$ 35,791,560	\$ (2,165,517)	\$ 33,626,043
	Public Information/P&O	0754		\$ 730,440	\$ -	\$ 730,440
	<b>Total Allocation to All Resources</b>			<b>\$ 36,522,000</b>	<b>\$ (2,165,517)</b>	<b>\$ 34,356,483</b>