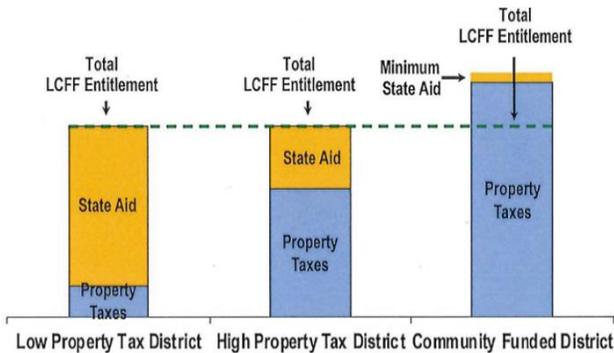


Your Loma Prieta School District Board of Trustees has just placed yet another new tax on the ballot for November. You have likely received a letter from the superintendent already and you can expect a phone call soon looking for your support.

This is the wrong tax at the wrong time.

Here are **9 questions** that you can ask those pushing for this new tax when they contact you:

9. Why do proponents repeatedly claim that this new tax is needed because of state budget cuts, when our school is a community funded district?



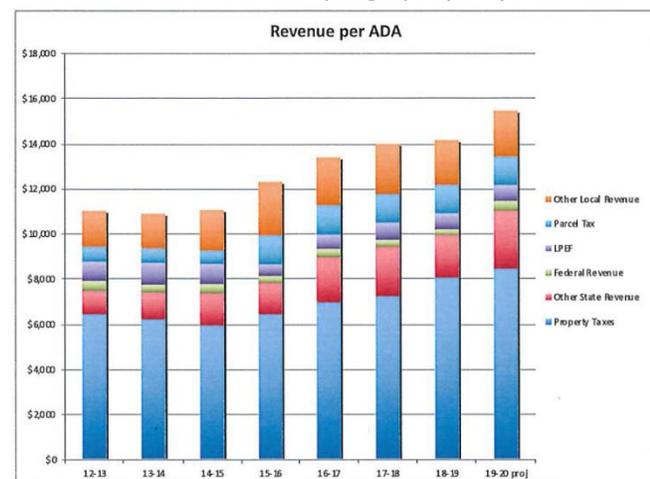
This is a grossly misleading argument meant to **divert responsibility** and to **fool you**. Proponents of this new tax conveniently neglect to include some vital information. They are hoping that you do not learn about how our schools are funded so that you don't ask the tough questions about how our wealth of local funds is being mismanaged. Let's use our district budget office's own graphics to illustrate:

Loma Prieta Joint Union School District is one of only 10% of California school districts that are known as "Basic Aid" districts, or more accurately – **Excess Tax Districts**. In the graphic, you can see three types of districts represented. There are "Low Property-Tax Districts," "High Property-Tax Districts," and then there is our school district. The dotted line represents the level at which the state will fund a school district (LCFF – Local Control Funding Formula). For 90% of districts in the state, the state makes up the difference between local property taxes and this state funding level.

Our district, however, is represented by the right-most column in the chart. You can see that our property taxes exceed state funding levels. Our district gets to keep the excess taxes for our schools, which is why we are known as an "**Excess Tax District.**" Why is our school district in the wealthiest 10% of the school districts in the state and not qualify for state aid? Because of the already high property taxes you pay.

And what about the "minimum state aid" in the graph above (in yellow)? This is the only impact that state funding could have on our revenue - even **Excess Tax Districts** are guaranteed a minimum level of state aid. So, what has happened to state aid in our district? This is the LPJUSD budget office's graph showing revenue sources for the last 7 years. State revenue is represented by red and has clearly been *increasing* over the last 7 years.

Local property tax revenue, state funding, and overall revenues are all steadily rising. Revenue per student is up, and significantly exceeds the state average. Enrollment is on the decline.



So why do proponents constantly reference state budget cuts when we are not affected by the state budget? This is a **diversionary tactic**, intended to convince you that the problem is afar – in Sacramento. Don't be misled: **The problem is here – in the Loma Prieta school district boardroom.**

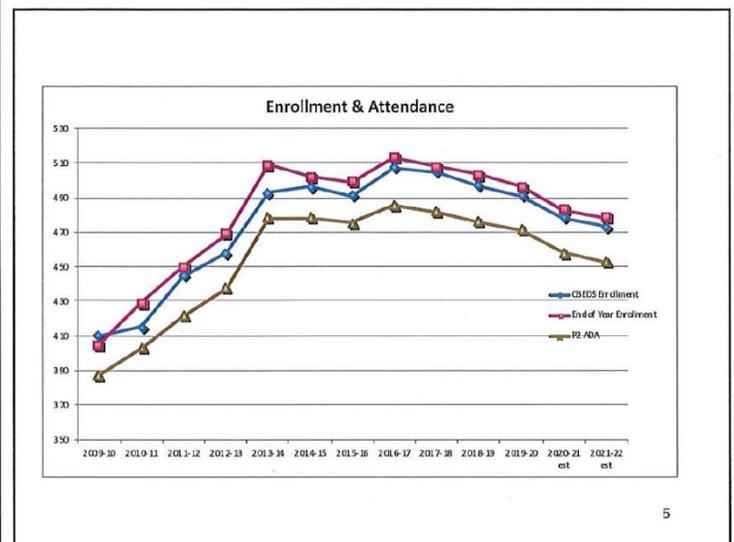
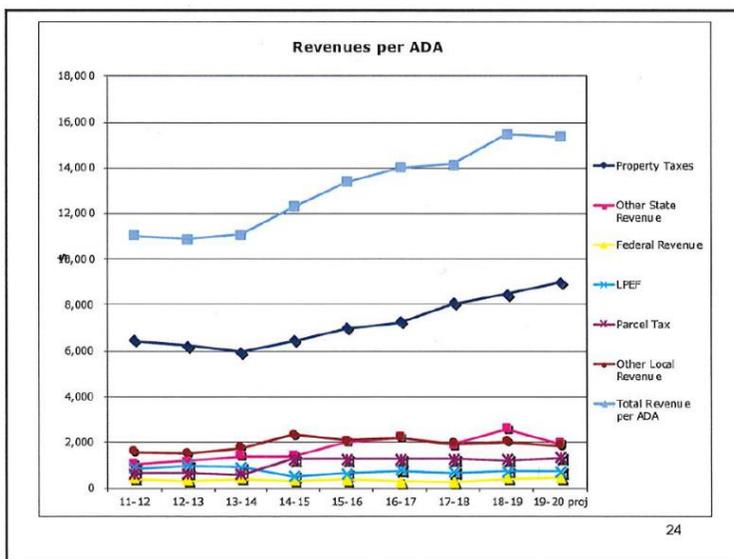
8. Why is a parcel tax – the most inequitable of all taxes - the best way to address the board’s unchecked deficit spending?

Of all of the different means in which citizens are taxed, there is perhaps none as regressive as a parcel tax. Sales and income taxes are proportional to the amount that you spend and earn. Gas taxes are proportional to the amount of gas you use. Property taxes are proportional to the value of the property you own. But a parcel tax is a flat tax – everyone pays the same amount, regardless of their income, assets, or the value of their property. Consider the impact this new tax will have on families who are already struggling financially – it will cost each family \$1,968. This burden falls heaviest on the poorest members of our community and has no place in a progressive society. Let’s rethink how we can more equitably use a sustainable tax base to support our schools and kids.



7. Why should taxpayers approve a new tax when enrollment is declining, revenue is up, and per pupil spending is well above the state average?

Below are the charts produced by the district office to show enrollment and revenues per student over the last eight years. They show that revenues per student have been climbing steadily. The dark blue line in the middle represents your property taxes – property tax revenue has been steadily increasing. At the same time, you can see that enrollment has been steadily declining. Our district spends \$15,842 per year per student, which represents 121% of the state average.



6. Shouldn't the board demonstrate that it can manage a balanced budget – *before* we approve a new tax? Why have we been deficit spending for years?



Our school board has been deficit spending for years - even while having the benefit of the current parcel tax - knowing full well that the tax will expire. The board has been spending money we do not have, and has taken for granted community support for yet another addition to our already high tax burden. This is to say nothing of the constant barrages of donation appeals. Is it too much to ask that our superintendent and board submit and approve a budget that reflects

the fiscal realities of the times in which we live? Wouldn't it be advantageous to our kids today and future generations of students to prioritize a balanced budget? We need leaders who have the courage to make tough decisions on budget and spending. Is it too much to ask that the board rein in their spending to below current revenue levels *before* we place a new tax on the ballot? Taxpayers have to live within their means - and so should the Loma Prieta Joint Union School District.

5. When is it enough?

In 2013, the school board placed Measure H on the ballot, which created the current parcel tax. In the argument for the measure, proponents sold us on a false promise: **“the measure is temporary; it lasts just seven years.”** We were lied to - the board had no intention of this being a temporary tax. In fact, they have inflated their spending to levels even beyond what the parcel tax afforded, with no consideration for its end. Milton Friedman wrote that “Nothing is so permanent as a temporary government measure.” Our board has proved him correct once again with this new tax.



Since 2000, there have been 8(!) tax increases on the ballot in our district. This is tax measure number nine. Just recently, in 2018, the district received a new tax which indebts our students and community until the year 2052!

4. What is the plan to address the outrageously high taxes and cost of housing in our community?



Our tax burden is among the highest in the nation and the crippling cost of housing is driving people to leave our community. This parcel tax - on top of the already high property taxes you pay to the school - make owning property out of reach for many hard-working families, including for teachers. For those who rent, these taxes get passed on to tenants. One way to promote the recruiting and retention of high-quality teachers would be to take steps to make the cost of their housing less outrageous. This tax does the opposite.

3. Why is an unprecedented economic crisis the right time for a new tax on our community?



We are in uncertain economic times for families, businesses, governments and schools. This is not the time to levy new taxes on a community where many of our members are suffering financially. This is a time to focus on the core missions of public education, do those well, and find cost saving measures for our community. You may hear the argument that COVID has negatively affected certain revenue streams for the school (although these effects are very minimal). The COVID-19 recession has impacted all of us -- not just

the recipients of tax dollars, but more so the people who pay taxes. When people are out of work because of the recession, a tax increase on a necessity of life -- their very shelter -- adds insult to injury.

Our kids are not currently attending classes at school. The models for education are dramatically different as we begin this year, and we don't know what lasting changes there will be to the way we do school. This is the wrong time to assess new taxes based on fiscal models that we may or may not use again. What will COVID do to enrollment numbers as more and more parents opt for private, alternative, and home-schooling options? How will distance learning, smaller class-size cohorts, or fewer educational days affect our staffing and facility needs? What electives and non-core classes will not be practical to deliver to students in the new model? There are many more unknowns than there are certainties.

But here's what IS certain: we are in the midst of the most severe economic downturn in our history and many of our families are hurting financially. This is the time to make the best of a challenging situation and look for cost-saving measures that will help our kids today and tomorrow.

2. How can we trust district leadership to be accountable and transparent?

A foundational component of what allows our system of government to work is that the government must be accountable to the people. This is only possible if the people know the affairs of their local government - this requires transparency. Unfortunately, we have seen over the last several years that our school leadership is not willing to be open, honest, and transparent with the public about major issues that have significantly impacted our school community financially and otherwise. If there is no sense of being accountable in the big things, we cannot trust that the board will be accountable in the little things. The entire organization suffers, and ultimately, our kids pay the price. The district leadership should take concrete steps to resolve broken trust with the community BEFORE asking to be trusted with yet more public dollars.

Accountability, Transparency, and Integrity FIRST.



1. What impact does poor fiscal management of the schools have on our property values?



We know that great schools help to ensure that our property values stay high. Our current leadership has brought us to the brink of financial crisis over years of mismanaging our resources. School staff is uncertain every year what the next year will look like. Our reserves have shrunk to a critical level. This is not a funding issue. It is a management issue. We saw above how revenues have been increasing while enrollment decreases and spending per student is way above average. The reckless disregard for fiscal reality ultimately hurts our school community and our property values. Let's make good schools better by demanding that our leadership be accountable for managing our resources responsibly, working within sustainable revenue streams to consistently provide the best educational experience possible for our kids.

Stand up for our kids, teachers, and our school community by **voting no** on this new parcel tax. You can be *pro-child*, *pro-school*, *pro-education*, and also *against* new taxes that disproportionately punish our poorest citizens in a community that already has some of the highest taxes and highest per pupil spending. Demand fiscal responsibility.

Vote NO on Measure N – our kids deserve better.