

Statement of Rebuttal by Ray Gadbois
League of Women Voters Parcel Tax Panel
May 29, 2009

I appreciate the opportunity to respond to some of the arguments made by the opponents of these Parcel Tax measures.

First, I would like to comment on the growth of our school parcel taxes. Yes, they have grown over the past 24 years, since they were first introduced in Piedmont by a group of community leaders and parents. But not because of any structural problems in Piedmont. The structural problems are in Sacramento. State funding is inadequate to support a quality education. As we all know education spending in CA is among the lowest of the 50 states. Piedmont receives even less than the state average. And over the past 10 years this funding has not even kept up with inflation. But the Piedmont community has consistently stepped in to fill the gap with local taxes and local fundraising. As the gap grew so did the need for parcel taxes.

Second, the opposition is using misinformation to claim that this is a big tax increase. But here are the facts. Measure B is a straight renewal of the existing parcel tax, with no increase from the prior year. All you have to do is compare the rates we approved for next year with the rates on the ballot for Measure B. After the first year, there is a potential COLA but it is not automatic. More importantly, Measure E is a temporary increase of \$249 per year or \$5 per week. It will be reduced or eliminated if State funding is restored. And it automatically expires after three years. So it is not fair for the opposition to count the possible COLA adjustments as a tax increase but ignore the automatic expiration of Measure E.

Third, I want to talk about the growth of spending in Piedmont. First of all, it is not reasonable to look at spending over a short period of time from 2005 to 2008. The comparisons are not valid because of one time categorical income and expenses which were allocated by the state in 2007/2008. Over a longer period of time you will find that the school budget has grown by less than 4% per year, just slightly above the inflation rate of 3% during the same period. And the number of employees has been very stable and consistent. If you follow the budget process closely, as I have for many years, you would know that spending in Piedmont is tightly controlled and monitored. The Budget Advisory Committee meets regularly in public meetings to review and discuss the budget. Our total spending is still less than many top school districts in the state including Palo alto and Berkeley.

I am running out of time, but I want to say that we don't expect taxpayers to fund the entire deficit. We have already made cuts amounting to \$925,000 and have contingency plans to make even more cuts if needed. Hopefully, we will find some time to explain these cuts in more detail.