

Levies February 2010

Supporting Seattle's Children



Excellence For All

Every student achieving, everyone accountable.

Seattle School Board Operations Committee
August 20, 2009

Agenda and Meeting Overview

- Introduction
- BTA & Operations Levies Schedule and Overview
- Operations Levy
- Responses to previous questions
- BTA III Project Prioritization Process and Results
 - Strategic Plan Scoring
 - Board Adopted Guidelines
- Energy Efficiency / Green Projects
- BTA III Buying Power
- BTA III Next Steps and Timeline

Levies 2010 Overview

- BTA III Levy Planning coordinated with other District Initiatives
 - Provides funds for “Excellence for All” Strategic Plan Projects
 - Student Assignment and Boundary Planning / Demographics
 - Capacity Planning and Management
 - Property Management – Closed Buildings and Building Rentals
 - Funding for Educational Initiatives
 - Continues Investment in Technology

Levies 2010 Overview

- February 2010 Operations Levy (General Fund)
- February 2010 BTA III Capital Levy (Capital Projects)
- Per the current legislation, school levies require 50% plus 1 “YES” vote
- Bonds still require Super-Majority (60%) and Election Validation requirement

Levy Plan 2001 - 2013

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Oper.	X			X			X			X			X
BTA				X						X			
BEX	X						X						X
Election	X			X			X			X			X

Operations Levy – Planning Approach

- Don't leave anything on the table
- Optimistic financial and enrollment assumptions, including planning options



Historical Results

Year	Voter		Roll- Back	Planning Options	Notes
	Approved	Certified			
2010	\$ 141.5	\$ 127.5	\$ 14.0	\$ 10.8	Certified is estimated
2009	\$ 132.0	\$ 124.5	\$ 7.5	\$ 6.5	
2008	\$ 123.5	\$ 117.7	\$ 5.8	\$ 4.4	
	<u>\$ 397.0</u>	<u>\$ 369.7</u>	<u>\$ 27.3</u>	<u>\$ 21.7</u>	
2007	\$ 117.0	\$ 114.3	\$ 2.7		
2006	\$ 112.5	\$ 111.5	\$ 1.0		
2005	\$ 108.5	\$ 104.6	\$ 3.9		
	<u>\$ 338.0</u>	<u>\$ 330.4</u>	<u>\$ 7.6</u>		
2004	\$ 123.0	\$ 104.8	\$ 18.2		
2003	\$ 114.0	\$ 98.9	\$ 15.1		
2002	\$ 101.0	\$ 93.0	\$ 8.0		
	<u>\$ 338.0</u>	<u>\$ 296.7</u>	<u>\$ 41.3</u>		

Funding Model

- The Funding Model is Calculated as follows:

Prior Years State and Federal Revenue

+

Per Pupil Inflator

X

Authority %

= Maximum Levy Amount that may be Collected

3 - Year Operations Levy – Preliminary

(in Millions)

	2011	2012	2013	Total
Base	135.4	137.1	143.2	415.7
Add'l Levy Capacity	9.7	11.2	26.6	47.5
Total Levy	145.1	148.3	169.8	463.2



Every student achieving, everyone accountable.

Additional Levy Capacity – Preliminary

Description	2011	2012	2013	Comment
Increase Levy Authority Percent to 35.00% (SHB1776)	\$ 8.3	\$ 8.4	\$ 8.8	May not be known until after ballot proposal is finalized.
Additional 1.0% enrollment growth (2.0% / year)	\$ 1.4	\$ 2.8	\$ 4.2	Additive. Enrollment will be updated after September headcount.
Phase-in estimate for Basic Ed Foundation Bill (ESHB2261) for Instructional Hours, Transportation, and All-Day K in 2011-12 for 2013 Levy Base.			\$ 6.3	Will not be known until after ballot proposal is finalized.
Reinstatement of LID day in 2011-12			\$ 0.3	Will not be known until after ballot proposal is finalized.
Use Office of State Actuary 2011-12 recommended pension rates.			\$ 4.6	Includes estimated potential per pupil inflator estimate of \$2.1M. Will not be known until after ballot proposal is finalized.
Capacity for Basic Ed Foundation Bill (ESHB2261) for school funding formula				Currently no recommendation or implementation timeline.
Continued federal funding of ARRA IDEA funds at 50% of current allocation			\$ 2.4	Will not be known until after ballot proposal is finalized.
Potential ARRA "Race to the Top" and Innovation Grants			\$ -	Estimates in progress.
Capacity for Unanticipated Revenue				

Options Total \$ 9.7 \$ 11.2 \$ 26.6



Every student achieving, everyone accountable.

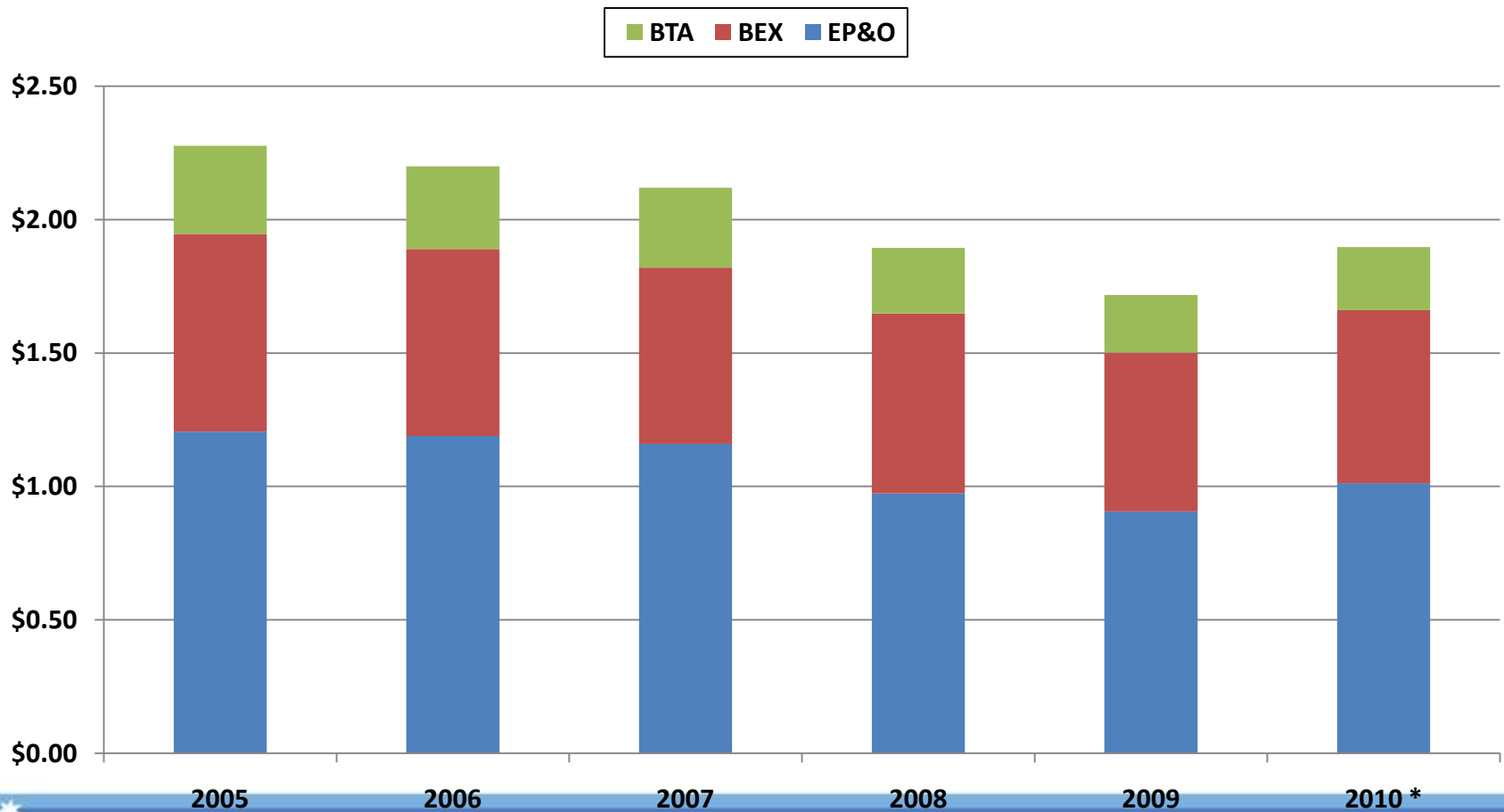
Pending Legislation

- Increase Levy Authority percent to 35% (SHB1776)
- Potential Phase-in Estimate for Basic Ed Foundation Bill (ESHB2261) for Instructional Hours, Transportation and All-Day K in 2011-12 affects 2013 Levy.
- Continued federal funding of ARRA IDEA funds.

Base Assumptions - Preliminary

- Enrollment growth 1.0% per year. Estimated final growth for 2008-09 is 0.7%.
- Legislative rates for 2009-10 and 2010-11 are used to develop 2011 and 2012 levy bases.
- Reset pension rates to 2008-09 levels in 2011-12.
- Phase-in of Catch-up COLA (ESHB2363) in 2011-12 for 2013 Levy Base.
- Per pupil inflator growth estimate based on COLA and Pension growth.
- Seattle CPI growth of 1.5% for 2009 and 3.0% for 2010 are used to develop 2012 and 2013 Levy Bases.

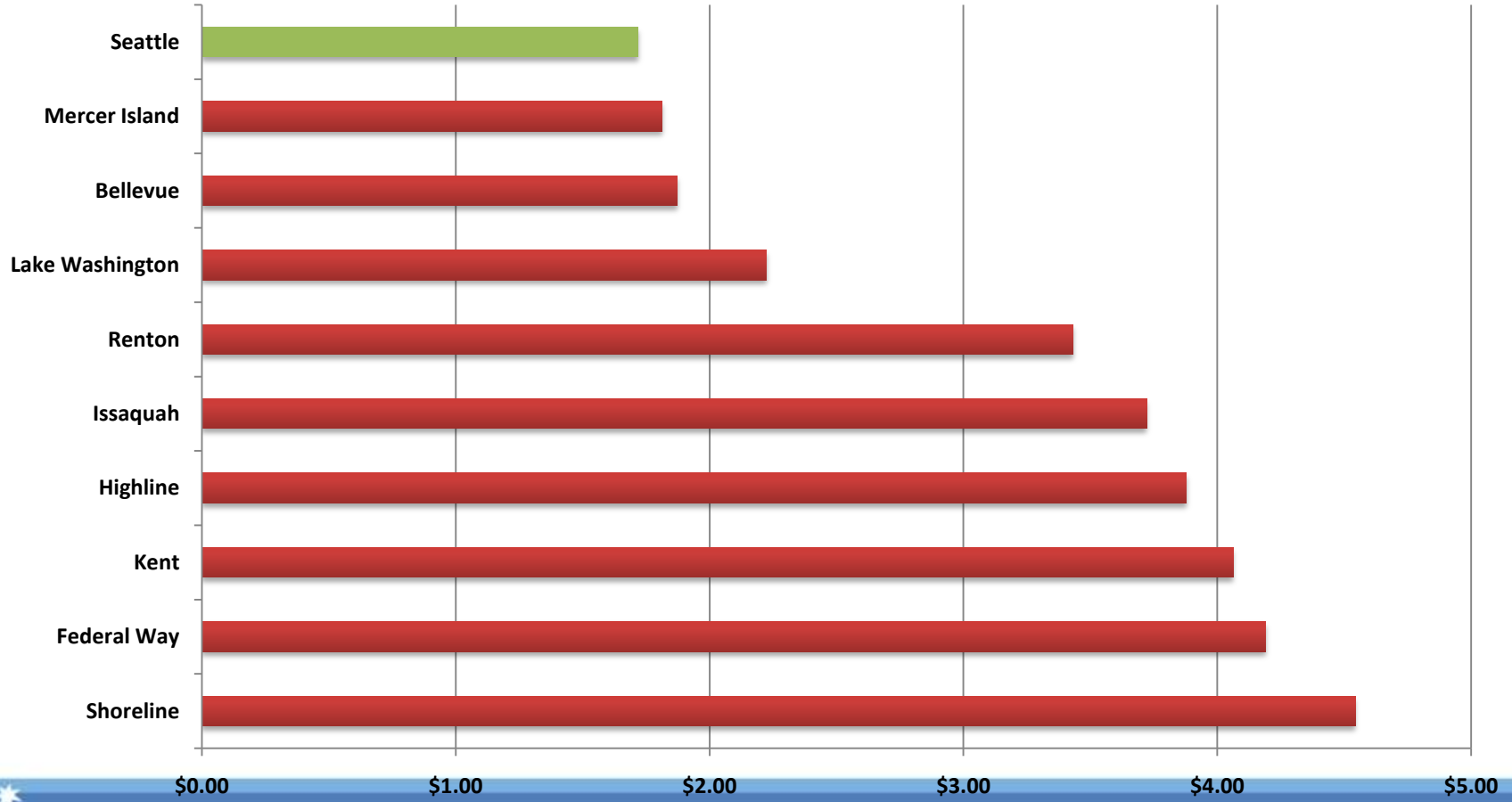
Levy Rate -Current



Total Levy Rates Per \$1,000 Assessed Value

Source: PSD Preliminary KC 2009 Extended Tax Rates

Levy rates per \$1000



Operations Levy Planning

Board Discussion

BTA III –

Responses to Previous Questions

- Capacity Management: Funding for reopening of closed buildings care currently included in the BTA III Levy proposal to support flexibility in New Student Assignment Plan (NSAP) Boundaries –
 - money can be reprogrammed if reopening not adopted
 - Impact to Maintenance Backlog / Closure Savings
- BTA Priorities – Used a “needs-based” approach in prioritizing projects; criteria based on Strategic Plan and Board Guidelines.
 - Over 300 projects evaluated and scored

Responses to Previous Questions

- continued

- District Enterprise: Supports public communications and JSCEE way finding; includes flat screen monitors for public messaging
- Many IT initiatives are multi-year projects; funding in 3-year cycles in the two capital levies, BEX and BTA
- Significant improvements have been made to the JSCEE IT infrastructure; BTA III includes strategic off-site IT service capacities

Responses to Previous Questions

- continued

- Core 24 is new state graduation requirements, additional science facilities and computer labs will be required to provide access to students. Estimated \$100,000 per new science or computer lab.
- Potential Landmarks – SMC Ordinance criteria is 25 years or older
 - Likely BTA III / BEX IV candidates would be the “historic buildings” (McGilvra, McDonald, Montlake, Monroe, Bagley)

Operations Levy Planning

Board Discussion

Project Prioritization

- Four Teams completed Prioritization Process over 3-day period
 - Involved over 30 central office staff and principals
- Teams ranked over 300 projects
 - Final ranked list totals in excess of \$350 million dollars
 - Non-Discretionary projects not ranked
- Projects represented multiple aspects of capital eligibility
 - Ranked list being refined with additional cost estimates for athletic fields, reopening of closed buildings and the energy efficiency projects

Strategic Plan Scoring

- Ensure Excellence in Every Classroom (35 Points)
- Strengthen Leaders System-Wide (15 Points)
- Build an Infrastructure that Works Well (30 Points)
- Return on Investment (20 Points)

Buying Power

- Projects assembled to four break points:
 \$210 Million \$270 Million
 \$240 Million \$300 Million
- Projects list assumes non-discretionary projects fully funded
- Project list is based on rank order need without costs

Non-Discretionary Projects – *Approximately \$118 Million of \$208 Million*

- Deemed critical to the continued operations of the District by Executive / Senior Leadership
 - Buildings: Preventative Maintenance and Painting legislation, Water Quality Policy and commitments, Meany Improvements
 - Technology: Student Information Systems, SAP / IT records management and Disaster Recovery, IT Architecture, Web Communications
 - Academics : MAP technology and licenses, CORE 24, Early Learning classrooms for Title 1 schools, Capacity Management, Synthetic turf replacement

Discretionary Projects –

*Approximately \$60 * Million of \$208 Million*

Roofs :	\$15.5 Million
Exterior Renovations:	\$250,000
Life Safety/Security/ADA:	\$11.5 Million
HVAC:	\$1.9 Million
Seismic:	\$12 Million
Technology:	\$12.7 Million
Special Education:	\$4.5 Million
Cleveland STEM:	\$1.5 Million

* Numbers are rounded – still being refined

Other Costs

Approximately \$31.8 Million of \$208 Million

- Construction Escalation Allowance: \$26.5 Million
 - 4% per year for 6 years
- BEX IV Planning and Election Costs: \$3 Million
- Late Levy Collections: \$2.3 Million

Summary: \$208.5 Million

- Buildings : \$74.3 Million
- Technology: \$31.25 Million
- Academics: \$71.2 Million
- Program Expenses: \$5.2 Million
- Program Escalation: \$26.5 Million

\$239.7 Million

- Additional Energy Efficiency / Sustainable Technology Retrofits - \$21.6 Million (*Early Estimate – Feasibility Study underway*)
 - 6 CIP schools need new Heat Pump
 - 5 of these schools need new roofs
- Additional Funds to retrofit to “Energy Star” Technology
 - Upgrade Roofing and Insulation to higher standards
 - Upgrade heat pumps from conventional technology to Ground Source Heat Pumps
- Sustainable Enhancements – funds dependent
 - Bike Rack Covers, Solar Panel, Low VOC products if possible

\$239.7 Million – *continued*

- Additional HVAC projects – conventional technology : \$5.8 Million
- Additional Construction Escalation Allowance: \$3.8 Million

\$269.2 Million

- Buildings: \$14.9 Million
 - Exterior Renovations, HVAC, Electrical Systems, CEP
- Technology: \$1.9 Million
- Academics: \$4.8 Million
- Construction Escalation Allowance: \$7.9 Million

\$292.3 Million

- Buildings: \$138,000
 - Exterior Walls, Storm Sewer Systems
- Technology: \$6.3 Million (Equipment, MDF)
- Academics: \$5 Million (Skill Center)
- Construction Escalation Allowance: \$11.7 Million

Technology

- Objectives:
 - Life Cycle Management
 - Business Efficiency
 - Cost Reductions
- Challenges:
 - Keeping technology easy to use
 - Managing costs of Operations
 - Eliminating Service Barriers

Levies 2010 Planning Timeline

- √ **School/Community Input** Oct 2008 - Fall 2009
- √ **Facilities Analysis by MENG** Nov 2008 - April 2009
- √ **Develop Potential Project Needs** Nov 2008 - May 2009
- √ **Community Informational Meetings** May 2009 - Fall 2009
- √ **School Board Adopt Guidance and Principles** July 1, 2009
- **Operations Committee / BTA III Website Live** August 20, 2009
- **School Board Work Session** Sept. 2, 2009
- **Community Meetings (TBD)** Between Sept 21-28
- **Levy Resolutions- Introduction** November 4, 2009
- **Levy Resolutions – Adoption** November 18, 2009
- **Levy Election** February 2010

Levy Planning Information

Board Discussion