



SCHOOL BOARD ACTION REPORT

DATE: October 24, 2018
FROM: Denise Juneau, Superintendent
LEAD STAFF: JoLynn Berge, Chief Financial Officer, jdberge@seattleschools.org
For Intro: November 14, 2018
For Action: November 14, 2018

1. TITLE

Resolution 2018/19-9, Certification of Excess Levies and Calculation of General Fund Levy Rollback for 2019

2. PURPOSE

RCW 84.52.020 requires the District to annually certify to the county legislative authority, for the purpose of levying district taxes, budgets or estimates of the amounts to be raised by taxation on the assessed valuation of the property in the district.

3. RECOMMENDED MOTION

I move for the approval of Resolution 2018/19-9, Certifying Excess Levies and Calculation of General Fund Levy Rollback, as attached to the Board Action report. Immediate Action is in the best interest of the District.

4. BACKGROUND INFORMATION

The State of Washington requires the board of directors to annually certify to the county legislative authority the estimated taxes to be collected for the school district in the next calendar year on or before the thirtieth day of November.

In addition, excess levies for the General fund are limited to the maximum amount school districts can collect from voter-authorized levies based on a legislative directed formula. For example, although in February 2016 City of Seattle voters authorized \$278,600,000 in property tax collections for 2019, the provisions of RCW 84.52.0531 limit the maximum collection to \$133,885,550, preventing the District from levying the total \$278,600,000 approved by voters.

As part of the annual certification process, the school board must rollback, or adjust the levy collection amount of the General Fund to the lesser of the legislative formula or the voter approved amount. This assumption was known and is reflected in the 2018-19 adopted budget.

5. FISCAL IMPACT/REVENUE SOURCE

Fiscal impact to this action will be \$328,918,884 of voter-approved levy resources in calendar year 2019. The revenue source for this motion is property taxes and is divided as follows between the General Fund and Capital Fund:

General Fund Levy Amount Approved by voters for 2019..... \$278,600,000
Less Amount of Rollback.....\$144,714,450
General Fund Levy Amount for 2019 after Rollback.....\$133,885,550

Capital Projects Fund Levy Amount for 2019.....\$195,033,334

Expenditure: One-time Annual Multi-Year N/A

Revenue: One-time Annual Multi-Year N/A

6. COMMUNITY ENGAGEMENT

With guidance from the District’s Community Engagement tool, this action was determined to merit the following tier of community engagement:

Not applicable

Tier 1: Inform

Tier 2: Consult/Involve

Tier 3: Collaborate

The Community was previously engaged when the General Fund and Capital Projects levies were passed by the voters in the City of Seattle.

7. EQUITY ANALYSIS

This motion was not put through the process of an equity analysis.

8. STUDENT BENEFIT

These voter-approved levies play an important role in our ability to prepare students for college, career, and life.

9. WHY BOARD ACTION IS NECESSARY

Amount of contract initial value or contract amendment exceeds \$250,000 (Policy No. 6220)

Amount of grant exceeds \$250,000 in a single fiscal year (Policy No. 6114)

Adopting, amending, or repealing a Board policy

Formally accepting the completion of a public works project and closing out the contract

Legal requirement for the School Board to take action on this matter

Board Policy No. _____, [TITLE], provides the Board shall approve this item

Other: _____

10. POLICY IMPLICATION

The Certification of the 2019 Operations Levy is in compliance with the School Board policies below to ensure the District’s financial plan adequately funds and supports the District’s mission.

- Policy No. 6000, Program Planning, Budget Preparation, Adoption & Implementation
- Policy No. 6100, Revenues from Local, State & Federal Sources

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Audit & Finance Committee meeting on November 5, 2018. The Committee reviewed the motion and moved it forward with a recommendation with a recommendation for approval.

12. TIMELINE FOR IMPLEMENTATION

Upon approval of this motion, the resolution to certify the 2019 Excess Levies will be delivered to the King County Council for Certification of School District Tax Levies by November 30, 2018.

13. ATTACHMENTS

- Resolution 2018/19-9 (For Approval)
- Report F-780 (For Reference)
- **Maintenance & Operations Levy Presentation (For Reference)**

SEATTLE SCHOOL DISTRICT NO. 1
RESOLUTION 2018/19-9
CERTIFICATION OF 2019 LEVY COLLECTION



A **RESOLUTION** by the Board of Directors of Seattle School District No. 1, King County, Washington, certifying collection of the 2019 Levy funds

WHEREAS, the State Legislature has limited the amount local school districts may raise through special levies, and

WHEREAS, the 2019 General Fund Levy cannot exceed limitations imposed by RCW 84.52.0531, and any amount of such excess levy approved by the voters must be reduced in accordance with that statute; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SEATTLE SCHOOL DISTRICT NO. 1, pursuant to RCW 84.52.020, that the King County Council be requested to set the 2019 excess tax levy for the General Fund Levy at a total of \$133,885,550 and to set the Capital Projects excess levy at \$195,033,334 as authorized by the voters and by the Board of Directors of the Seattle School District #1 in their meeting on November 14, 2018 and submitted to the King County Council. The final tax levy may be adjusted for Administrative Refunds of prior year levies as identified by King County. The Assessor of King County is authorized and directed, without further Board action to reduce the General Fund levy amount to be extended upon the tax rolls and collected in the calendar year to be consistent with the limitations imposed by RCW 84.52.0531.

CERTIFICATION OF EXCESS LEVIES FOR 2018 COLLECTION ARE AS FOLLOWS:

General Fund Amount Approved by voters for 2019.....	\$278,600,000
Less Amount of Rollback.....	<u>\$144,714,450</u>
Enrichment Levy Amount for 2019 after Rollback.....	\$133,885,550
 Capital Projects Fund Levy Amount for 2019.....	 \$195,033,334

ADOPTED this 14th day of November 2018.

 Leslie Harris, President

 Rick Burke, Vice-President

 Jill Geary, Director at Large

 Zachary DeWolf, Director

Eden Mack, Director

Betty Patu, Director

Scott Pinkham, Director

ATTEST: _____
Denise Juneau, Superintendent
Secretary, Board of Directors
Seattle School District No. 1
King County, WA

**2019 LEVY AUTHORITY AND ESTIMATED LOCAL EFFORT ASSISTANCE (LEA) PAYABLE
17001 Seattle School District**

SUMMARY

A.	2018 Projected Assessed Valuation, 2019 Levies [Sched. IV]	\$211,472,969,505
B.	2019 Voter Approved Levy	\$278,600,000
C.	Estimated Levy Revenue	\$133,885,550
D.	2019 LEA Payable	\$0

SCHEDULE I - 2019 ESTIMATED LEVY REVENUE

A.	2017-18 Enrollment	53,554.22
B.	2017 Assessed Valuation (AV), 2019 Levies [Sched. IV]	\$211,472,969,505
C.	Maximum Levy Per Pupil [Enroll * \$2,500]	\$133,885,550
D.	Maximum Levy Per Tax [AV * \$1.5 /1,000]	\$317,209,454
E.	Estimated Levy Revenue: Lesser of Pupil or Tax Rate	\$133,885,550

SCHEDULE II - MAXIMUM LOCAL EFFORT ASSISTANCE (LEA)

A.	Tax Rate at Maximum Levy [Max Levy /AV*1,000]	\$0.63
B.	Per Pupil at Maximum Levy [Max Levy /Enroll]	\$2,500
D.	2019 Voter Approved Levy	\$278,600,000
E.	Voter Approved Levy Rate [Voter Approved Levy /AV*1,000]	\$1.32
F.	Maximum LEA Per Pupil [if Per Pupil Max is greater than \$1,500 then \$1,500 - B]	\$0
G.	Estimated Maximum LEA [Enroll * F]	\$0

SCHEDULE III - ESTIMATED 2019 LEA PAYABLE

A.	2019 Estimated Certified M&O Levy Amount [Lesser of Voter Approved or Maximum Levy]	\$317,209,454
B.	Rollback [subtract if VA > Minimum LEA, VA - Minimum LEA]	(\$144,714,450)
C.	LEA Per Pupil [C * (min(\$1.5 , VA Levy Rate/\$1.5)]	\$0
D.	2019 Lea Payable [Enroll * C]	\$0
E.	January-August 2019 LEA [D * .72]	\$0
F.	September-December 2019 LEA [D * .28]	\$0

COMMENTS ON REPORT F-780

This electronic report is the school district's official notice of 2019 levy authority under RCW 84.52.0531. The calculation and estimate of 2019 local effort assistance (LEA) is also shown.

LEVY AUTHORITY -----

Line C of the SUMMARY shows the school district's general fund enrichment levy authority for the 2019 calendar year.

This is the suggested amount to be certified to the county board of commissioners for collection in 2019. This is calculated based on January 2018 projected assessed valuations. This amount will be finalized in early 2019 with final assessed values. Districts will NOT be able to collect more than the amount certified to the county board of commissioners.

For school districts located in more than one county, the amount shown is the maximum combined levy amount for all counties. Calculations are made

A school district may request a review of calculations shown on Report F-780.

Requests are made in writing to: OSPI, School Apportionment and Financial Services, Old Capitol Building, PO BOX 47200, Olympia, WA 98504-7200.

Requests must be received no later than November 15, 2018.

OSPI will review and respond to all requests by November 30, 2018.

CERTIFIED LEVY -----

Levies must be certified to county commissioners on or before November 30, 2018. Certification for first class districts is done by the school district board of directors. Certification for second class districts is done by educational service districts (ESDs). ESDs are to report final certified levy amounts for all districts to OSPI prior to December 15, 2018.

LOCAL EFFORT ASSISTANCE -----

Schedules II and III show estimated 2019 local effort assistance (LEA). Estimates are based on the district's voter approved levy. Actual LEA allocations will be calculated by OSPI in January 2019 and will use levy amounts certified for collection in 2019.

LEA allocations for 2019 span two school district fiscal years. The portion of 2019 LEA allocation payable during the 2018-2019 school year is shown on line E of Schedule III. LEA payments are made through the monthly apportionment process. The percent of the 2018-2019 allocation payable each month is published in the Administrative Budgeting and Financial Reporting Policies and Procedures Handbook for School Districts Chapter BUD PREP section 4 page 2. LEA allocations appear on Report 1197, Statement of Apportionment, in Revenue Account 3300.

QUESTIONS -----

Further information and levy data summaries are posted to the Internet at <http://www.k12.wa.us/safs/default.asp>.

Questions regarding levy authority or LEA can be directed to Melissa Jarmon, School Apportionment and Financial Services, 360-725-6307, FAX 360-664-3683, or e-mail melissa.jarmon@k12.wa.us.

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Maintenance & Operations Levy Roll Back

- Maintenance & Operations Levy is based on two factors:
 - The voter approved amount
 - A state formula that limits operating levies based on other funded amounts and legislative restrictions
- When the voter approved amount is more than the state formula, a district must recertify or “roll back” the uncollectible amount to not exceed the state formula.
- If the voter approved amount was less than the state formula, the collectible amount would be the voter approved amount.
- Roll backs do not affect Capital Levies.

Maintenance & Operations Levy Roll Back

Maintenance & Operations Levy

