



## **SCHOOL BOARD ACTION REPORT**

**DATE:** October 9, 2017  
**FROM:** Dr. Larry Nyland, Superintendent  
**LEAD STAFF:** JoLynn Berge, Assistant Superintendent for Business & Finance,  
jdberge@seattleschools.org  
**For Intro:** November 1, 2017  
**For Action:** November 15, 2017

### **1. TITLE**

Resolution 2017/18-4, Certification of Excess Levies and Calculation of General Fund Levy Rollback for 2018

### **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 2017/18-4, Certifying Excess Levies and Calculation of General Fund Levy Rollback, as attached to the Board Action report.

### **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 \$250,300,000 in property tax collections for 2018, the provisions of RCW 84.52.0531 limit the maximum collection to \$233,365,961, preventing the District from levying the total \$250,300,000 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 2017-18 adopted budget.

### **5. FISCAL IMPACT/REVENUE SOURCE**

Fiscal impact to this action will be \$428,399,294 of voter-approved levy resources in calendar year 2018. 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 2018..... \$250,300,000  
Less Amount of Rollback..... \$16,934,039  
General Fund Levy Amount for 2018 after Rollback..... \$233,365,961

Capital Projects Fund Levy Amount for 2018..... \$195,033,333

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**

Not applicable.

**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 2018 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 October 9, 2017. The Committee reviewed the motion and The Committee reviewed the motion and moved it forward to a recommendation for approval..

**12. TIMELINE FOR IMPLEMENTATION**

Upon approval of this motion, the resolution to certify the 2018 Excess Levies will be delivered to the King County Board of Commissioners for Certification of School District Tax Levies by November 30, 2017.

**13. ATTACHMENTS**

- Resolution 2017/18-4
- Report F-780
- Presentation



**SEATTLE SCHOOL DISTRICT NO. 1**  
**RESOLUTION 2017/18-4**  
**CERTIFICATION OF 2018 OPERATIONS LEVY COLLECTION**

**A RESOLUTION** by the Board of Directors of School District No. 1, King County, Washington, certifying collection of the 2018 Levy funds

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

**WHEREAS**, the 2018 General Fund Operations Levy cannot exceed limitations imposed by RCW 84.52.0531, and any amount of such excess levy authorized by the voters must be reduced in accordance with that statute; and

**NOW, THEREFORE, BE IT RESOLVED**, that the King County Board of County Commissioners be requested to set the 2018 excess tax levy for the General Fund at a total of \$233,365,961 and to set the Capital Projects excess levy at \$195,033,333 as approved by the Board of Directors of the Seattle School District #1 in their meeting on November 15, 2017 and submitted to the King County Board of Commissioners. The final tax levy may be adjusted for Administrative Refunds of prior year levies as identified by King County.

**CERTIFICATION OF EXCESS LEVIES FOR 2018 COLLECTION ARE AS FOLLOWS:**

General Fund Levy Amount Approved by voters for 2018.....	\$250,300,000
Less Amount of Rollback.....	\$16,934,039
General Fund Levy Amount for 2018 after Rollback.....	\$233,365,961
Capital Projects Fund Levy Amount for 2018.....	\$195,033,333

**ADOPTED** this 15th day of November, 2017.

\_\_\_\_\_  
Sue Peters, President

\_\_\_\_\_  
Leslie Harris, Vice-President

\_\_\_\_\_  
Scott Pinkham, Director

\_\_\_\_\_  
Stephan Blanford, Director

\_\_\_\_\_  
Rick Burke, Director

\_\_\_\_\_  
Jill Geary, Director

\_\_\_\_\_  
Betty Patu, Director

ATTEST: \_\_\_\_\_  
Dr. Larry Nyland, Superintendent  
Secretary, Board of Directors  
Seattle School District No. 1  
King County, WA

**2018 LEVY AUTHORITY AND ESTIMATED LOCAL EFFORT ASSISTANCE (LEA) PAYABLE**

**SUMMARY**

A.	2018 Levy Base (Sched. I, Line I) .....	\$631,177,595
B.	2018 Levy Authority Percentage [Prior Year %] .....	36.97%
C.	Levy Authority Before Transfers [A * B] .....	\$233,346,357
D.	Nonhigh and Interdistrict Transfers [Sch. IV, Line E] .....	\$19,604
E.	Levy Authority After Transfers [C + D] .....	\$233,365,961
F.	Maximum 2018 Local Effort Assistance [Sch. II, Line H] .....	\$0
G.	2018 Levy Authority [E - F] .....	\$233,365,961

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**SCHEDULE I - 2018 LEVY BASE**

A.	State 2016-17 School Year Allocations through OSPI:	
	3100 Basic Education [Rpt. 1191 Lines IV + Rpt 1197 310003 A] .....	\$348,842,263
	3100 Basic Education Technical College Direct Pay .....	\$88,535
	4121 Special Education Program [Rpt. 1197 Column A] .....	\$45,676,999
	4121 Special Education ESD Cooperative [Rpt. 1220 Line L.] .....	\$0
	4122 Special Education Program Infants and Toddlers [Rpt. 1197 Column A] .....	\$3,149,505
	4122 Special Education ESD Cooperative [Rpt. 1220 Line T.] .....	\$0
	4155 Learning Assistance Program [Rpt. 1197 Column A] .....	\$8,115,207
	4165 Transitional Bilingual [Report 1197 Column A] .....	\$7,101,699
	4174 Highly Capable [Rpt. 1197 Column A] .....	\$530,493
	4198 School Food Services [Rpt. 1197 Column A] .....	\$212,991
	4199 Transportation - Operations [Rpt. 1197 Column A] .....	\$33,405,497
	4499 Transportation Reimb. - Depreciation [Rpt. 1197 Column A] .....	\$0
	SHB2893 Salary Increase plus Benefits for Formula Staff .....	\$46,147,262
	SHB2893 Increase per Student for Student Achievement	
	(Tech Coll 53,239.87 + August 2017 Rpt 1191ED 348,842,263.14 ) * \$550.30 =	\$29,305,524
	SHB2893 K-4 Staff Ratio Enhancement .....	\$0
	Innovation Academy Cooperative Transfer .....	\$0
B.	Federal 2016-17 School Year Allocations through OSPI:	
	6124 Special Education Supplemental [Rpt. 1197 Column A & Safety Net] .....	\$12,437,430
	6124 District Allocation Redirected to ESD .....	\$0
	6138 Secondary Vocational Ed., [Rpt. 1197 Column A] .....	\$396,055
	6146 Skills Center [Rpt. 1197 Column A] .....	\$16,644
	6151 Remediation, [Rpt. 1197 Column A] .....	\$15,489,680
	6152 School Improvement, [Rpt. 1197 Column A] .....	\$2,959,239
	6153 Migrant, [Rpt. 1197 Column A] .....	\$96,783
	6154 Reading First, [Rpt. 1197 Column A] .....	\$0
	6162 Math & Science - Professional Development [Rpt. 1197 Column A] .....	\$781,153
	6164 Limited English, [Rpt. 1197 Column A] .....	\$1,110,247
	6176 Targeted Assistance [Rpt. 1197 Column A] .....	\$0
	6198 School Food Services [Rpt. 1197 Column A] .....	\$9,132,042
	6199 Transportation Operations [Rpt. 1197 Column A] .....	\$0
C.	2015-16 School Year Revenue from F-196:	
	4321 Special Education [Rpt. F-196] .....	\$47,492
	4322 Special Education Infants [Rpt. F-196] .....	\$0
	4365 Transitional Bilingual [Rpt. F-196] .....	\$0
	4398 School Food Services [Rpt. F-196] .....	\$0
	4399 Transportation Operations [Rpt. F-196] .....	\$0
	5200 Gen. Purpose Direct Grants, Unassd [Rpt. F-196] .....	\$0
	6100 Special Purpose, SPI, Unassigned [Rpt. F-196] .....	\$18,585
	6200 Direct Special Purpose Grants [Rpt. F-196] .....	\$79,261
	6221 Special Education - Medicaid Reimbursements [Rpt. F-196] .....	\$0
	6224 Special Education - Supplemental [Rpt. F-196] .....	\$0
	6238 Secondary Vocational Education [Rpt. F-196] .....	\$0
	6246 Skills Center [Rpt. F-196] .....	\$0

6251	Disadvantaged [Rpt. F-196]	\$609,329
6252	School Improvement [Rpt. F-196]	\$534,731
6253	Migrant [Rpt. F-196]	\$0
6254	Reading First [Rpt. F-196]	\$0
6262	Math & Science - Professional Development [Rpt. F-196]	\$0
6264	Bilingual [Rpt. F-196]	\$0
6267	Indian Education - JOM [Rpt. F-196]	\$0
6268	Indian Education - ED [Rpt. F-196]	\$82,763
6276	Targeted Assistance [Rpt. F-196]	\$0
6298	School Food Service [Rpt. F-196]	\$0
6299	Transportation Operations [Rpt. F-196]	\$0
6300	Federal Grants Through Other Agencies [Rpt. F-196]	\$2,760,820
6310	Medicaid Administrative Match [Rpt. F-196]	\$60,749
6318	Federal Stimulus - Competitive Grants [Rpt. F-196]	\$118,730
6321	Special Education - Medicaid Reimbursement [Rpt. F-196]	\$0
6322	Special Education - Infants and Toddlers Medicaid Reimbursement [Rpt. F-196]	\$0
6324	Special Education - Supplemental [Rpt. F-196]	\$0
6338	Secondary Vocational Education [Rpt. F-196]	\$0
6346	Skills Center [Rpt. F-196]	\$0
6351	Disadvantaged [Rpt. F-196]	\$0
6352	School Improvement [Rpt. F-196]	\$0
6353	Migrant [Rpt. F-196]	\$0
6354	Reading First [Rpt. F-196]	\$0
6362	Math & Science - Professional Development [Rpt. F-196]	\$0
6364	Limited English Proficiency [Rpt. F-196]	\$0
6367	Indian Education - JOM [Rpt. F-196]	\$0
6368	Indian Education - ED [Rpt. F-196]	\$0
6376	Targeted Assistance [Rpt. F-196]	\$0
6398	School Food Service [Rpt. F-196]	\$0
6399	Transportation Operations [Rpt. F-196]	\$0
6998	USDA Commodities [Rpt. F-196]	\$1,111,832
	Total Federal 2015-16 School Year Revenue:	\$5,424,292
D.	Percentage Change in the Implicit Price Deflator for the Prior 12 Mo.	1.44%
E.	Total Federal 2015-16 Revenue Adjusted by Price Deflator [C*(1+D)]	\$5,502,169
F.	Revenues Received as a Fiscal Agent [Form SPI Fiscal Agent]	\$0
G.	Total State and Federal Revenues in Levy Base [A+B+E-F]	\$570,497,416
H.	% Incr. in Basic Ed. Funding Per Pupil, 16-17 to 17-18	5.85%
I.	Excess Levy Base [G * (1 + (H / 0.55))]	\$631,177,595

**SCHEDULE II - MAXIMUM LOCAL EFFORT ASSISTANCE (LEA)**

A.	Levy Authority after Transfers [Summary, Line E]	\$233,365,961
B.	Levy Authority after Transfers and with 6211 Allocations -K4 removed	\$233,365,961
C.	2018 Levy Authority Percentage [Prior Year %]	36.97%
D.	District 14% Levy Amount [(B / C) * .14]	\$88,372,287
E.	2016 Adj. Assessed Valuation, 2018 Levies [Sched. V]	\$204,361,577,163
F.	District 14% levy Rate [(D * 1000) / E]	0.432
G.	Statewide Average 14% Levy Rate [OSPI Calc.]	1.558
H.	Maximum 2018 LEA [(F - G) / F] * D ] Calculated at 100%, see Comments.	\$0

**SCHEDULE III - ESTIMATED 2018 LEA PAYABLE**

A.	Certified Levy Needed to Qualify for Maximum LEA [II.D - II.H]	\$0
B.	Matching Ratio [(II.F - II.G) / II.G]	0.000
C.	2018 Estimated Certified M&O Levy Amount	\$233,365,961
D.	2018 LEA Payable [If C > A, then II.H, else C * B]	\$0
E.	January-August 2018 LEA [D * .72]	\$0
F.	September-December 2018 LEA [D * .28]	\$0

**17001 Seattle School District**  
**SCHEDULE IV - NONHIGH AND INTERDISTRICT TRANSFERS**

A. Nonhigh Sending District Transfer In - FTE From P-213

	a.	b.	c.	d.	e.	
	2017-18	2016-17	2016-17	2018	2017	((a * d) +
Serving District	Est FTE	Act FTE	Est FTE	Levy Auth. Per Pupil	Cert. Levy Per Pupil	((b - c) * e))

**A. Total Nonhigh Sending District Transfer In**

0

B. Nonhigh Serving District Transfer Out - FTE From P-213

	a.	b.	c.	d.	e.	
	2017-18	2016-17	2016-17	2018	2017	((a * d) +
Resident District	Est FTE	Act FTE	Est FTE	Levy Auth. Per Pupil	Cert. Levy Per Pupil	((b - c) * e))

**B. Total Nonhigh Serving District Transfer Out**

0

C. Interdistrict Program Sending District Transfer In - FTE From P-223

	a.	b.	
	2016-17	2018	(a * b)
Serving District	Nonres FTE	Levy Auth. Per Pupil	Transfer In
EDMONDS	5.90	2,036.44	12,015
CENTRAL KITSAP	1.35	2,057.04	2,777
RENTON	1.00	2,070.00	2,070
HIGHLINE	0.84	1,980.95	1,664
OMAK	0.36	2,019.44	727
FEDERAL WAY	0.18	2,066.67	372

**C. Total Interdistrict Program Sending Transfer In**

19,625



D. Interdistrict Program Serving District Transfer Out - FTE From P-223

	a.	b.	
	2016-17	2018	(a * b)
Resident District	Nonres FTE	Levy Auth. Per Pupil	Transfer Out

D. Interdistrict Program Serving District Transfer Out - FTE From P-223, (cont.)

D. Total Interdistrict Program Serving Transfer Out 0

E. Total Nonhigh and Interdist. Transfers (A - B + C - D) \$19,604

**SCHEDULE V - ADJUSTED ASSESSED VALUATION**

COUNTY	a. 2016 PROPERTY VALUE	b. INDICATED RATIO	c. GREATER OF 1/2 TAV ,80% TIMBER	ADJUSTED ASSESSED VALUATION ((a/(b/100)) + c)
KING	185,762,527,682	90.9	110	204,361,577,163

**TOTAL ADJUSTED ASSESSED VALUATION** 204,361,577,163

COMMENTS ON REPORT F-780

This electronic report is the school district's official notice of 2018 levy authority under RCW 84.52.0531. The calculation and estimate of 2018 local effort assistance (LEA) is also shown.

LEVY AUTHORITY -----

Line G of the SUMMARY on page 1 shows the school district's general fund (M&O) levy authority for the 2018 calendar year. This is the maximum amount that can be certified to the county board of commissioners for collection in 2018. For school districts located in more than one county, the amount shown is the maximum combined levy amount for all counties. Calculations are made pursuant to Chapter 392-139 WAC.

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 October 15, 2017. OSPI will review and respond to all requests by November 1, 2017.

CERTIFIED LEVY -----

Levies must be certified to county commissioners on or before November 30, 2017. 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, 2017.

LOCAL EFFORT ASSISTANCE -----

Schedules II and III show estimated 2018 local effort assistance (LEA). Estimates are based on the district's voter approved levy. Actual LEA allocations will be calculated by OSPI in January 2018 and will use levy amounts certified for collection in 2018.

LEA allocations for 2018 span two school district fiscal years. The portion of 2018 LEA allocation payable during the 2017-2018 school year is shown on line E of Schedule III. LEA payments are made through the monthly apportionment process. The percent of the 2017-2018 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/>. 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](mailto: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

