



# School Board Briefing/Proposed Action Report

Informational (no action required by Board)     Action Report (Board will be required to take action)

**DATE:** October 5, 2016  
**FROM:** Dr. Larry Nyland, Superintendent  
**LEAD STAFF:** JoLynn Berge, Assistant Superintendent for Business & Finance,  
jdberge@seattleschools.org

## I. TITLE

Resolution 2016/17-6 Certifying Excess Levies and Calculation of General Fund Levy Rollback

**For Introduction:** November 2, 2016  
**For Action:** November 16, 2016

## II. WHY BOARD ACTION IS NECESSARY

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.

## III. FISCAL IMPACT/REVENUE SOURCE

Fiscal impact to this action will be \$398,573,004 of voter-approved levy resources in calendar year 2017. 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 2017.....	\$229,400,000
Less Amount of Rollback.....	<u>\$25,860,329</u>
General Fund Levy Amount for 2017 after Rollback.....	\$203,539,671
Capital Projects Fund Levy Amount for 2017.....	\$195,033,333

Expenditure: N/A     One-time     Annual     Other Source

## IV. POLICY IMPLICATION

The Certification of the 2017 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

## V. RECOMMENDED MOTION

I move for the approval of Resolution 2016/17-6, Certifying Excess Levies and Calculation of General Fund Levy Rollback, as attached to the Board Action report.

## **VI. BOARD COMMITTEE RECOMMENDATION**

This motion was discussed at the October 13, 2016, Audit & Finance Committee meeting. The Committee reviewed the motion and moved the item forward to the full Board with a recommendation for approval.

## **VII. 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 November 30.

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 \$229,400,000 in property tax collections for 2017, the provisions of RCW 84.52.0531 limit the maximum collection to \$203,539,671, preventing the District from levying the total \$229,400,000 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 2016-17 adopted budget.

## **VIII. STATEMENT OF ISSUE**

This resolution ensures compliance with State law so that the District can collect both the General Fund and Capital Fund levies and that it does not over-collect on the Operations Levy.

## **IX. ALTERNATIVES**

The School Board must pass a certification resolution each year to comply with State of Washington law. Failure to pass a certification resolution will result in the District not collecting any voter-approved revenue.

## **X. RESEARCH AND DATA SOURCES / BENCHMARKS**

- N/A

## **XI. TIMELINE FOR IMPLEMENTATION / COMMUNITY ENGAGEMENT**

Upon approval of this motion, the resolution to certify the 2017 Excess Levies will be delivered to the King County Board of Commissioners for Certification of School District Tax Levies by November 30, 2016.

## **XII. ATTACHMENTS**

- Resolution 2016/17-6
- Report F-780