



Resolution 2019/20-17, Certification of Excess Levies and Calculation of General Fund Levy Rollback for 2020.

November 14, 2019

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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.



SCHOOL BOARD ACTION REPORT

DATE: October 22, 2019
FROM: Denise Juneau, Superintendent
LEAD STAFF: JoLynn Berge, Chief Financial Officer, jdberge@seattleschools.org
For Intro: November 20, 2019
For Action: November 20, 2019

1. TITLE

Resolution 2019/20-17, Certification of Excess Levies and Calculation of General Fund Levy Rollback for 2020.

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 the School Board approval of Resolution 2019/20-17, 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 2019 City of Seattle voters authorized \$271,300,000 in property tax collections for 2020, the provisions of RCW 84.52.0531 limit the maximum collection to \$164,271,875, preventing the District from levying the total \$271,300,000 approved by voters.

The \$164,271,875 collection is based on the 2020 calendar year, so it is divided across two school years as noted:

FY19-20	45.96%	\$75,499,354
FY20-21	<u>54.04%</u>	<u>\$88,772,521</u>
	100.00 %	\$164,271,875

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 2019-20 adopted budget.

The legislative formula containing the levy amounts is provided to the district on a report called the F-780. The F-780 is generated by OSPI, and while the right-hand column of numbers on the attached form is accurate, the narrative of some of the amounts are not accurate for Seattle, in particular in regards to the \$3,000 per student levy amount.

5. FISCAL IMPACT/REVENUE SOURCE

Fiscal impact to this action will be \$476,821,875, including both general fund and capital fund levies of voter-approved levy resources in calendar year 2020. 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 2020.....	\$271,300,000
Less Amount of Rollback.....	<u>\$107,028,125</u>
General Fund Levy Amount for 2020 after Rollback.....	\$164,271,875
Capital Projects Fund Levy Amount for 2020.....	\$312,550,000

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 2020 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 4, 2019. The Committee reviewed the motion and moved it forward with a recommendation for approval.

12. TIMELINE FOR IMPLEMENTATION

Upon approval of this motion, the resolution to certify the 2020 Excess Levies will be delivered to the King County Board of Commissioners for Certification of School District Tax Levies by November 30, 2019.

13. ATTACHMENTS

- Resolution 2019/20-17 (for approval)
- Report F-780 (for reference)

**Seattle School District #1
Board Resolution**



**Resolution No. 2019/20-17
CERTIFICATION OF 2020 LEVY COLLECTION**

A RESOLUTION of the Board of Directors of Seattle School District No. 1, King County, Seattle, Washington certifying collection of the 2020 Levy funds.

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

WHEREAS, the 2020 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 SCHOOL DISTRICT NO. 1, pursuant to RCW 84.52.020, that the King County Council be requested to set the 2020 excess tax levy for the General Fund Levy at a total of \$164,271,875 and to set the Capital Projects excess levy at \$312,550,000 as authorized by the voters and by the Board of Directors of the Seattle School District #1 in their meeting on November 20, 2019 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 calendar year to be consistent with the limitations imposed by RCW 84.52.0531.

CERTIFICATION OF EXCESS LEVIES FOR 2020 COLLECTION ARE AS FOLLOWS:

General Fund Amount Approved by voters for 2020.....	\$271,300,000
Less Amount of Rollback.....	<u>\$107,028,125</u>
Enrichment Levy Amount for 2020 after Rollback.....	\$164,271,875
Capital Projects Fund Levy Amount for 2020.....	\$312,550,000

ADOPTED this 20th day of November 2019

Leslie Harris, President

Rick Burke, Vice President

Zachary DeWolf, Member-at-Large

Jill Geary, Member

Brandon K. Hersey, Member

Eden Mack, Member

Scott Pinkham, Member

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

**2020 LEVY AUTHORITY AND ESTIMATED LOCAL EFFORT ASSISTANCE (LEA) PAYABLE
17001 Seattle School District**

SUMMARY

A.	2019 Projected Assessed Valuation (AV), 2020 Levies [Sched. IV]	\$258,869,984,625
B.	Estimated 2020 Max LEA	\$271,300,000
C.	Estimated Levy Revenue	\$164,271,875
D.	2020 LEA Payable	\$0

SCHEDULE I - 2020 ESTIMATED LEVY REVENUE

A.	2018-19 Adjusted Enrollment	53,369.68
	2018-19 Enrollment as of August	53,369.68
	High / Non-high Enrollment Transfers & Innovative Academy	0.00
B.	2019 Projected Assessed Valuation (AV), 2020 Levies [Sched. IV]	\$258,869,984,625
C.	Maximum Levy Per Pupil [Enroll * \$2,565] *Per ESSB 5313 max per pupil levy for district with > 40,000 student FTE is \$3,078 not \$2,565	\$164,271,875
D.	Maximum Levy Per Tax [AV * \$2.5 /1,000]	\$647,174,962
E.	Estimated Levy Revenue: Lesser of Pupil, Tax Rate, or Voter Approved Levy	\$164,271,875

SCHEDULE II - MAXIMUM LOCAL EFFORT ASSISTANCE (LEA)

A.	Per Pupil Eligible for LEA [(AV * \$1.5 /1,000)/Enroll]	\$7,276
B.	Maximum LEA per Pupil [\$1,590 - A]	\$0
C.	2020 Voter Approved Levy	\$271,300,000
D.	Voter Approved Levy Rate [Voter Approved Levy /AV * 1,000]	\$1.05
E.	Estimated Maximum LEA [Enroll * B]	\$0

SCHEDULE III - ESTIMATED 2020 LEA PAYABLE

A.	2020 Voter Approved Levy	\$164,271,875
B.	Rollback [subtract if VA > Minimum LEA, VA - Minimum LEA]	(\$107,028,125)
C.	2020 LEA Payable [(Lesser of Voter Approved Levy Rate / \$1.5 or \$1.5 /\$1.5) * Sched. II E]	\$0
D.	January-August 2020 LEA [C * .72]	\$0
E.	September-December 2020 LEA [C * .28]	\$0

COMMENTS ON REPORT F-780

This electronic report is the school district's official notice of 2020 levy authority under RCW 84.52.0531. The calculation and estimate of 2020 local effort assistance (LEA) is also shown.

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LEVY AUTHORITY -----

Line C of the SUMMARY shows the school district's general fund enrichment levy authority for the 2020 calendar year. This is the maximum amount that can be certified to the county board of commissioners for collection in 2020. 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.

CERTIFIED LEVY -----

Line A of Schedule III shows the school district's general fund enrichment certified levy amount for the 2020 calendar year. This is the amount reported to OSPI as certified to the county board of commissioners for collection in 2020.

LOCAL EFFORT ASSISTANCE -----

Schedules II and III show the 2020 LEA calculation and allocation.

LEA allocations for 2020 span two school district fiscal years. The portion of 2020 LEA allocation payable during the 2019-2020 school year is shown on line D of Schedule III. LEA payments are made through the monthly apportionment process. The percent of the 2019-2020 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 <https://www.k12.wa.us/policy-funding/school-apportionment>. 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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