

School Board Briefing/Proposed Action Report



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

DATE: September 22, 2015
FROM: Dr. Larry Nyland, Superintendent
LEAD STAFF: Ken Gotsch, Assistant Superintendent for Business & Finance, 206.252.0086; Linda Sebring, Budget Director, 206.252.0242

I. TITLE

Resolution 2015/16-7, Certification of the Operations Levy collection amount for 2016 **For Introduction:** October 21, 2015
For Action: November 4, 2015

II. WHY BOARD ACTION IS NECESSARY

RCW 84.52.020 requires the District to annually recertify the Operations Levy collection amount.

III. FISCAL IMPACT/REVENUE SOURCE

Fiscal impact to this action will be \$196,356,645 of voter-approved levy resources in calendar year 2016. The revenue source for this motion is property taxes.

Expenditure: N/A One-time Annual Other Source

IV. POLICY IMPLICATION

The Certification of the 2016 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 2015/16-7, Certification of 2016 Operations Levy, certifying the amount to be collected from property taxes for the Operations Levy, as attached to the Board Action report.

VI. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the October 6, 2015, Audit & Finance Committee meeting. The Committee reviewed the motion and moved the item forward to the full Board for consideration.

VII. BACKGROUND INFORMATION

The State of Washington annually limits the maximum amount school districts can collect from voter-authorized levies based on a legislative directed formula. For example, although in February 2013 City of Seattle voters authorized \$199,600,000 in property tax collections for 2016, the provisions of RCW 84.52.0531 limited the maximum collection to \$196,356,645, preventing the District from levying the total \$199,600,000 initially approved by voters in 2013.

VIII. STATEMENT OF ISSUE

This resolution ensures compliance with State law so that the District does not over-collect on the Operations Levy. Long-range budget estimates for Seattle Public Schools take into account revenues and consequences of the levy law.

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 can result in the District not collecting any voter-approved revenue. The certified resolution is due to the Puget Sound Educational Support District by November 5, 2015.

X. RESEARCH AND DATA SOURCES / BENCHMARKS

- N/A

XI. TIMELINE FOR IMPLEMENTATION / COMMUNITY ENGAGEMENT

Upon approval of this motion, the resolution to certify the 2016 Operations Levy will be delivered to the Puget Sound Educational Service District for Certification of School District Tax Levies and submitted to King County by November 30, 2015.

XII. ATTACHMENTS

- Resolution 2015/16-7
- Report F-780

SEATTLE SCHOOL DISTRICT NO. 1
RESOLUTION 2015/16-7
CERTIFICATION OF 2016 OPERATIONS LEVY COLLECTION



A RESOLUTION by the Board of Directors of School District No. 1, King County, Washington, certifying collection of the 2016 Operations Levy funds

WHEREAS, on February 12, 2013, the voters of the Seattle School District of King County, Washington passed a 2016 General Fund Operations Levy in the amount of \$199,600,000; and

WHEREAS, the 2016 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

WHEREAS final 2016 calculations have been released from the Superintendent of Public Instruction, and as a result the Levy collection must be reduced by \$3,243,355; and

WHEREAS, pursuant to RCW 84.52.020 the 2016 General Fund Operations Levy must be recertified each year;

NOW, THEREFORE, BE IT RESOLVED, that the General Fund Operations Levy for 2016 collection be reduced by \$3,243,355 from the voter approved amount of \$199,600,000 and set at the amount of \$196,356,645; and

BE IT FURTHER RESOLVED, that the School Board certifies to the King County legislative authority the amount of \$196,356,645 as the 2016 collection amount for the General Fund Operations Levy; and

BE IT FURTHER RESOLVED, that copies of this resolution be transmitted to the appropriate officers of Puget Sound Educational Service District, King County, for forwarding to the county legislative authority and the Superintendent of Public Instruction.

The foregoing resolution was adopted at a regular meeting of the Board of Directors of this school district on the 4th day of November, of which due notice was given in the manner provided by law with the following Directors being present and voting.

ADOPTED this 4th day of November, 2015.

Sherry Carr, President

Sharon Peaslee, Vice-President

Stephan Blanford, Director

Harium Martin-Morris, Director

Marty McLaren, Director

Betty Patu, Director

Sue Peters, Director

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

2016 LEVY AUTHORITY AND ESTIMATED LOCAL EFFORT ASSISTANCE (LEA) PAYABLE

SUMMARY

A.	2016 Levy Base (Sched. I, Line I)	\$531,099,272
B.	2016 Levy Authority Percentage [Prior Year %]	36.97%
C.	Levy Authority Before Transfers [A * B]	\$196,347,401
D.	Nonhigh and Interdistrict Transfers [Sch. IV, Line E]	\$9,244
E.	Levy Authority After Transfers [C + D]	\$196,356,645
F.	Maximum 2016 Local Effort Assistance [Sch. II, Line H]	\$0
G.	2016 Levy Authority [E - F]	\$196,356,645

SCHEDULE I - 2015 LEVY BASE

A.	State 2014-15 School Year Allocations through OSPI:	
	3100 Basic Education [Rpt. 1191 Lines IV + Rpt 1197 310003 A]	\$283,677,682
	3100 Basic Education Technical College Direct Pay	\$63,379
	4121 Special Education Program [Rpt. 1197 Column A]	\$37,295,594
	4121 Special Education ESD Cooperative [Rpt. 1220 Line L]	\$0
	4122 Special Education Program Infants and Toddlers [Rpt. 1197 Column A]	\$2,326,544
	4155 Learning Assistance Program [Rpt. 1197 Column A]	\$8,924,631
	4165 Transitional Bilingual [Report 1197 Column A]	\$6,086,160
	4174 Highly Capable [Rpt. 1197 Column A]	\$471,281
	4198 School Food Services [Rpt. 1197 Column A]	\$241,191
	4199 Transportation - Operations [Rpt. 1197 Column A]	\$34,866,525
	4499 Transportation Reimb. - Depreciation [Rpt. 1197 Column A]	\$0
	SHB2893 Salary Increase plus Benefits for Formula Staff	\$38,584,704
	SHB2893 Increase per Student for Student Achievement (Tech Coll 10.91 + August 2015 Rpt 1191E 50,245.72) * \$532.06 =	\$26,739,542
	SHB2893 K-4 Staff Ratio Enhancement	\$9,083,602
	Innovation Academy Cooperative Transfer	\$0
B.	Federal 2014-15 School Year Allocations through OSPI:	
	6111 Federal Stimulus - Title I [Rpt. 1197 Column A]	\$0
	6112 Federal Stimulus - School Improvement [Rpt. 1197 Column A]	\$0
	6113 Federal Stimulus - State Fiscal Stabilization Fund [Rpt. 1197 Column A]	\$0
	6114 Federal Stimulus - IDEA [Rpt. 1197 Column A]	\$0
	6118 Federal Stimulus - Competitive Grants [Rpt. 1197 Column A]	\$0
	6119 Federal Stimulus - Other [Rpt. 1197 Column A]	\$0
	6121 Special Purpose, Medicaid Reimb. [Rpt. 1197 Column A]	\$0
	6124 Special Education Supplemental [Rpt. 1197 Column A & Safety Net]	\$8,689,959
	6124 District Allocation Redirected to ESD	\$0
	6138 Secondary Vocational Ed., [Rpt. 1197 Column A]	\$357,213
	6146 Skills Center [Rpt. 1197 Column A]	\$64,721
	6151 Remediation, [Rpt. 1197 Column A]	\$12,146,473
	6152 School Improvement, [Rpt. 1197 Column A]	\$3,076,228
	6153 Migrant, [Rpt. 1197 Column A]	\$149,204
	6154 Reading First, [Rpt. 1197 Column A]	\$0
	6162 Math & Science - Professional Development [Rpt. 1197 Column A]	\$822,144
	6164 Limited English, [Rpt. 1197 Column A]	\$1,314,317
	6176 Targeted Assistance [Rpt. 1197 Column A]	\$0
	6198 School Food Services [Rpt. 1197 Column A]	\$10,341,461
	6199 Transportation Operations [Rpt. 1197 Column A]	\$0
C.	2013-14 School Year Revenue from F-196:	
	4321 Special Education [Rpt. F-196]	\$36,224
	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]	\$13,458
	6200 Direct Special Purpose Grants [Rpt. F-196]	\$851,740
	6211 Federal Stimulus - Title I [Rpt. F-196]	\$0
	6212 Federal Stimulus - School Improvement [Rpt. F-196]	\$0
	6213 Federal Stimulus - State Fiscal Stabilization Fund [Rpt. F-196]	\$0
	6214 Federal Stimulus - IDEA [Rpt. F-196]	\$0
	6218 Federal Stimulus - Competitive Grants [Rpt. F-196]	\$0
	6219 Federal Stimulus - Other [Rpt. F-196]	\$0
	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
	6251 Disadvantaged [Rpt. F-196]	\$1,640,714
	6252 School Improvement [Rpt. F-196]	\$2,535,389
	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]	\$74,140
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]	\$1,372,564
6310	Medicaid Administrative Match [Rpt. F-196]	\$0
6311	Federal Stimulus - Title I [Rpt. F-196]	\$0
6312	Federal Stimulus - School Improvement [Rpt. F-196]	\$0
6313	Federal Stimulus - State Fiscal Stabilization Fund [Rpt. F-196]	\$0
6314	Federal Stimulus - IDEA [Rpt. F-196]	\$0
6318	Federal Stimulus - Competitive Grants [Rpt. F-196]	\$0
6319	Federal Stimulus - Other [Rpt. F-196]	\$0
6321	Special Education - Medicaid Reimbursement [Rpt. F-196]	\$90,561
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]	\$875,101
	Total Federal 2013-14 School Year Revenue:	\$7,489,891
D.	Percentage Change in the Implicit Price Deflator for the Prior 12 Mo.	0.330%
E.	Total Federal 2013-14 Revenue Adjusted by Price Deflator [C*(1+D)]	\$7,514,631
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]	\$492,837,185
H.	% Incr. in Basic Ed. Funding Per Pupil, 14-15 to 15-16	4.270%
I.	Excess Levy Base [G * (1 + (H / 0.55))]	\$531,099,272

SCHEDULE II - MAXIMUM LOCAL EFFORT ASSISTANCE (LEA)

A.	Levy Authority after Transfers [Summary, Line E]	\$196,356,645
B.	Levy Authority after Transfers and with 6211 Allocations -K4 removed	\$192,737,718
C.	2016 Levy Authority Percentage [Prior Year %]	36.97%
D.	District 14% Levy Amount [(B / C) * .14]	\$72,986,964
E.	2014 Adj. Assessed Valuation, 2016 Levies [Sched. V]	\$154,028,512,914
F.	District 14% levy Rate [(D * 1000) / E]	0.474
G.	Statewide Average 14% Levy Rate [OSPI Calc.]	1.552
H.	Maximum 2016 LEA [(F - G) / F] * D] Calculated at 100%, see Comments.	\$0

SCHEDULE III - ESTIMATED 2016 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.	2016 Estimated Certified M&O Levy Amount	\$196,356,645
D.	2016 LEA Payable [If C > A, then II.H, else C * B]	\$0
E.	January-August 2016 LEA [D * .72]	\$0
F.	September-December 2016 LEA [D * .28]	\$0

SCHEDULE IV - NONHIGH AND INTERDISTRICT TRANSFERS

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

	a.	b.	c.	d.	e.	
	2015-16	2014-15	2014-15	2015	2014	((a * d) +
Serving District	Est FTE	Act FTE	Est FTE	Levy Auth. Per Pupil	Cert. Levy Per Pupil	((b - c) * e))
						Transfer In

A. Total Nonhigh Sending District Transfer In

0

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

	a.	b.	c.	d.	e.	
	2015-16	2014-15	2014-15	2015	2014	((a * d) +
Resident	Est FTE	Act FTE	Est FTE	Levy Auth.	Cert. Levy	((b - c) * e))
District				Per Pupil	Per Pupil	Transfer Out

B. Total Nonhigh Serving District Transfer Out 0

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

	a.	b.	
	2014-15	2016	(a * b)
Serving	Nonres FTE	Levy Auth.	Transfer In
District		Per Pupil	
EDMONDS	3.98	1,716.58	6,832
OMAK	1.14	1,743.86	1,988
MONROE	0.38	1,707.89	649

C. Total Interdistrict Program Sending Transfer In 9,469

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

	a.	b.	
	2014-15	2016	(a * b)
Resident	Nonres FTE	Levy Auth.	Transfer Out
District		Per Pupil	
BREMERTON	0.10	2,250.00	225

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

D. Total Interdistrict Program Serving Transfer Out 225
 E. Total Nonhigh and Interdist. Transfers (A - B + C - D) \$9,244

SCHEDULE V - ADJUSTED ASSESSED VALUATION

COUNTY	a. 2014 PROPERTY VALUE	b. INDICATED RATIO	c. GREATER OF 1/2 TAV ,80% TIMBER	ADJUSTED ASSESSED VALUATION ((a/(b/100)) + c)
KING	144,478,744,938	93.8	187	154,028,512,914
TOTAL ADJUSTED ASSESSED VALUATION				154,028,512,914

COMMENTS ON REPORT F-780

This electronic report is the school district's official notice of 2016 levy authority under RCW 84.52.0531. The calculation and estimate of 2016 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 2016 calendar year. This is the maximum amount that can be certified to the county board of commissioners for collection in 2016. 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, 2015. OSPI will review and respond to all requests by November 1, 2015.

CERTIFIED LEVY -----

Levies must be certified to county commissioners on or before November 30, 2015. 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, 2015.

LOCAL EFFORT ASSISTANCE -----

Schedules II and III show estimated 2016 local effort assistance (LEA). Estimates are based on the district's voter approved levy. Actual LEA allocations will be calculated by OSPI in January 2016 and will use levy amounts certified for collection in 2016. LEA allocations for 2016 span two school district fiscal years. The portion of 2016 LEA allocation payable during the 2015-2016 school year is shown on line E of Schedule III. LEA payments are made through the monthly apportionment process. The percent of the 2015-2016 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 Stricklett, School Apportionment and Financial Services, 360-725-6307, FAX 360-664-3683, or e-mail melissa.stricklett@k12.wa.us.