



SCHOOL BOARD ACTION REPORT

DATE: August 20, 2018
FROM: Denise Juneau, Superintendent
LEAD STAFF: JoLynn Berge, Asst. Superintendent for Business & Finance,
jdberge@seattleschools.org;
For Intro: October 17, 2018
For Action: October 30, 2018

1. TITLE

Replacement for Educational Programs and Operations Levy, Resolution No. 18/19-2

2. PURPOSE

The current Educational Programs and Operations Levy will expire in calendar year 2019. The levy funds day-to-day educational programs and services not fully funded by the State. A renewal Educational Programs and Operations Levy is proposed to be placed on the ballot on February 12, 2019 for calendar years 2020 (\$271.3 million), 2021 (\$271.7 million) and 2022 (\$272.0 million) for a total of \$815.0 million over the three-year term.

3. RECOMMENDED MOTION

I move that the Seattle School Board accept the proposed Replacement for Educational Programs and Operations Levy and adopt Resolution 18/19-2 which places a three-year levy totaling \$815.0 million dollars on the February 12, 2019 ballot, as attached to the Board action report.

4. BACKGROUND INFORMATION

a. **Background** The voters of Seattle have generously approved Operations levies for nearly 40 years. The current Educational Programs and Operations Levy provides about 19% of Seattle Public Schools' operating budget and includes funding that is not provided by the State for day-to-day operations, teachers, instructional assistants, bilingual and special education services, bus transportation, student activities such as arts, extra-curricular and co-curricular activities, professional development, technology, and training. Without this funding, approximately 19% of Seattle Public Schools General Fund revenue would be lost.

b. **Alternatives** Failure to pass Resolution 18/19-2 would result in the District reducing future year General Fund budgets by approximately 19%.

c. **Research** NA

5. FISCAL IMPACT/REVENUE SOURCE

The proposed Operations Levy would have a total revenue estimate of \$815.0 million in voter-approved tax levy collections over a three-year period.

The revenue source for this motion is annual property taxes.

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

Through multiple budget discussions, and meetings with our community, labor partners, and senior district leaders, the impact of new state legislation, combined with restrictions on local operating levies were considered in developing the proposed levy amounts. Actual levy collections may vary based on future legislative changes or current funding restrictions.

7. EQUITY ANALYSIS

This motion was not put through a racial equity analysis.

8. STUDENT BENEFIT

Adopting the proposed resolution benefits students by continuing to provide staffing and other academic programs and resources not currently provided by state funding, but considered core to the academic success for all students of Seattle Public Schools.

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 Replacement for Educational Programs and Operations Levy and Authorizing Resolution is in compliance with the following policies:

- 6000 Program Planning, Budget Preparation, Adoption and Implementation
- 6100 Revenues from Local, State and Federal Sources

If the levy is approved by the voters, the funds will be included in future budget planning tears; if it is rejected the funds will not be included.

11. BOARD COMMITTEE RECOMMENDATION

This motion was discussed at the Audit and Finance Committee meeting on September 10, 2018. The Committee reviewed the motion and moved the item forward with a recommendation for approval by the full Board..

12. TIMELINE FOR IMPLEMENTATION

Upon approval of this motion, and approval from the Office of the Superintendent of Public Instruction's (OSPI) Pre-Ballot application, the Replacement for Educational Programs and Operations Levy will be delivered to the King County Elections Office for placement on the February 12, 2019 Special Election ballot.

13. ATTACHMENTS

- Resolution 18/19-2 (for approval)
- OSPI Pre-Ballot Approval application (for reference)
- Seattle Public Schools Proposed Operations Levy (for reference)

SEATTLE SCHOOL DISTRICT NO. 1
KING COUNTY, WASHINGTON

REPLACEMENT FOR EDUCATIONAL PROGRAMS AND OPERATIONS LEVY

RESOLUTION NO. 18/19-2

A RESOLUTION of the Board of Directors of Seattle School District No. 1, King County, Washington, providing for the submission to the qualified electors of the District at a special election to be held therein on February 12, 2019, of the proposition of whether excess taxes should be levied in the amount of \$271,300,000 in 2019 for collection in 2020, in the amount of \$271,700,000 in 2020 for collection in 2021, and in the amount of \$272,000,000 in 2021 for collection in 2022, said excess taxes to pay part of the cost of eligible activities in support of the District.

ADOPTED October 30, 2018

SEATTLE SCHOOL DISTRICT NO. 1
KING COUNTY, WASHINGTON

RESOLUTION NO. 18/19-2

A RESOLUTION of the Board of Directors of Seattle School District No. 1, King County, Washington, providing for the submission to the qualified electors of the District at a special election to be held therein on February 12, 2019, of the proposition of whether excess taxes should be levied in the amount of \$271,300,000 in 2019 for collection in 2020, in the amount of \$271,700,000 in 2020 for collection in 2021, in the amount of \$272,000,000 in 2021 for collection in 2022, said excess taxes to pay part of the cost of eligible activities in support of the District.

WHEREAS, Seattle School District No. 1, King County, Washington, (the “District”), for the past three years has had in effect a maintenance and operations levy in order to enable the District to pay for its educational programs and services, including teaching, school supplies, technology, salaries, buildings and transportation; and

WHEREAS, the current maintenance and operations levies expire this year; and

WHEREAS, the money in and to be paid into the General Fund of the District during the 2019-2020, 2020-2021, 2021-2022 and 2022-2023 school years will be insufficient to enable the District to pay for eligible activities for students attending District schools; and

WHEREAS, the existing authority for the imposition of local tax levies and use of local revenues (including the proceeds of tax levies) has been modified by Chapter 13, Laws of 2017 (65th Legislature, Third Special Session) and may be modified in the future by the State Legislature; and

WHEREAS, in order to properly provide for such eligible expenditures from a local levy, the Board of Directors of the District deems it necessary to levy the following taxes upon all of the taxable property within the District in excess of the maximum annual tax levy permitted by law to be levied within the District without a vote of the electors:

- A. A tax of approximately \$1.05 per thousand dollars of assessed valuation to provide \$271,300,000, said levy to be made in 2019 for collection in 2020;
- B. A tax of approximately \$0.96 per thousand dollars of assessed valuation to provide \$271,700,000, said levy to be made in 2020 for collection in 2021; and
- C. A tax of approximately \$0.87 per thousand dollars of assessed valuation to provide \$272,000,000, said levy to be made in 2021 for collection in 2022; and

WHEREAS, the Constitution and laws of the State of Washington require that the question of whether or not such excess taxes may be levied must be submitted to the qualified electors of the District for their ratification or rejection;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SEATTLE SCHOOL DISTRICT NO. 1, KING COUNTY, WASHINGTON, as follows:

Section 1. The following taxes for the District's General Fund should be levied upon all of the taxable property within the District in excess of the maximum annual tax levy permitted by law to be levied within the District without a vote of the electors:

- A. A tax of approximately \$1.05 per thousand dollars of assessed valuation to provide \$271,300,000, said levy to be made in 2019 for collection in 2020;
- B. A tax of approximately \$0.96 per thousand dollars of assessed valuation to provide \$271,700,000, said levy to be made in 2020 for collection in 2021; and
- C. A tax of approximately \$0.87 per thousand dollars of assessed valuation to provide \$272,000,000, said levy to be made in 2021 for collection in 2022;

The estimated levy rate depends upon the final dollar amount of assessed value of the property within the District. At this time, based upon information provided by the County Assessor's office, the estimated levy rate for the 2019 levy is \$1.05 per thousand dollars of

assessed valuation, the estimated levy rate for the 2020 levy is \$0.96 per thousand dollars of assessed valuation, and the estimated levy rate for the 2021 levy is \$0.87 per thousand dollars of assessed valuation. The exact levy rate shall be adjusted based upon the actual assessed value of the property within the District and the legal limit of the levy amount at the time of the levy.

Upon approval by the voters of the proposition substantially in the form set forth below, the District may use the proceeds of said levies during the 2019-2020, 2020-2021, 2021-2022 and 2022-2023 school years to pay such part of the eligible activities of the District during such school years as may be authorized or allowed by law for the use of excess levy funds.

Section 2. It is hereby found and declared that the best interests of the District require submission to the qualified electors of the District of the proposition of whether or not the District shall levy such excess tax for their ratification or rejection at a special election to be held therein on February 12, 2019.

King County Elections, as *ex officio* supervisor of elections in King County, Washington, is hereby requested to call and conduct said special election to be held within the District on said date and to submit to the qualified electors of the District the proposition substantially in the form hereinafter set forth.

The Secretary of the Board of Directors is hereby authorized and directed to certify said proposition substantially in the following form:

PROPOSITION NO. 1
SEATTLE SCHOOL DISTRICT NO. 1

REPLACEMENT FOR EDUCATIONAL PROGRAMS AND OPERATIONS
LEVY

The Board of Directors of Seattle School District passed Resolution No. 18/19-2 concerning this proposition to maintain current educational funding. To continue high quality programs that are not state funded, this authorizes the District to levy the following excess taxes replacing an expiring levy on all taxable property within the District:

Collection Years	Estimated Levy Rate/\$1,000 Assessed Value	Levy Amount
2020	\$1.05	\$271,300,000
2021	\$0.96	\$271,700,000
2022	\$0.87	\$272,000,000

as provided in the Resolution, subject to legal limits at time of levy. Should this proposition be approved?

YES

NO.....

The Secretary of the Board of Directors of the District is hereby directed to deliver a certified copy of this resolution to King County Elections.

Section 3. For purposes of receiving notice of the exact language of the ballot title required by RCW 29A.36.080, the Board hereby designates the District’s Assistant Superintendent for Business and Finance, (JoLynn Berge), telephone: 206.252.0086; email: jdberge@seattleschools.org as the individual to whom the Auditor shall provide such notice. The Assistant Superintendent is authorized to approve changes to the ballot title, if any, deemed necessary by the Auditor or the King County Prosecuting Attorney.

Section 4. Pursuant to authority granted by RCW 29A.32.220, the Board of Directors hereby authorizes the District's participation in the local voters' pamphlet for the February 12, 2019 election and requests that King County Elections prepare and publish a voters' pamphlet for this proposition. The District understands and agrees that it will be required to pay its proportionate share of the expenses of the voters' pamphlet.

ADOPTED by the Board of Directors of Seattle School District No. 1, King County, Washington, at a regular meeting thereof, held on the 30th day of October 2018.

SEATTLE SCHOOL DISTRICT NO. 1
KING COUNTY, WASHINGTON

President

Vice President

Member-at-large

Director

Director

Director

Director

ATTEST:

Secretary, Board of Directors

CERTIFICATE

I, the undersigned, Secretary of the Board of Directors of Seattle School District No. 1, King County, Washington, (the “District”) and keeper of the records of the Board of Directors (the “Board”), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 18/19-2 of the Board (the “Resolution”), duly adopted at a regular meeting thereof held on the day of October 30, 2018.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper passage of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of October 2018.

Secretary, Board of Directors

OFFICIAL BALLOT
SEATTLE SCHOOL DISTRICT NO. 1
KING COUNTY, WASHINGTON
FEBRUARY 12, 2019

INSTRUCTIONS TO VOTERS: To vote in favor of the following proposition, place a cross (X) in the square opposite the word "YES"; to vote against the following proposition, place a cross (X) in the square opposite the word "NO."

PROPOSITION NO. 1

SEATTLE SCHOOL DISTRICT NO. 1

REPLACEMENT FOR EDUCATIONAL PROGRAMS AND OPERATIONS
LEVY

The Board of Directors of Seattle School District passed Resolution No. 18/19-2 concerning this proposition to maintain current educational funding. To continue high quality programs that are not state funded, this authorizes the District to levy the following excess taxes replacing an expiring levy on all taxable property within the District:

Collection Years	Estimated Levy Rate/\$1,000 Assessed Value	Levy Amount
2020	\$1.05	\$271,300,000
2021	\$0.96	\$271,700,000
2022	\$0.87	\$272,000,000

as provided in the Resolution, subject to legal limits at time of levy. Should this proposition be approved?

YES

NO.....

NOTICE OF SPECIAL ELECTION
SEATTLE SCHOOL DISTRICT NO. 1
KING COUNTY, WASHINGTON
FEBRUARY 12, 2019

NOTICE IS HEREBY GIVEN that on February 12, 2019 a special election will be held in the above-named school district for the submission to the qualified electors of said school district of the following proposition:

PROPOSITION NO. 1

SEATTLE SCHOOL DISTRICT NO. 1

REPLACEMENT FOR EDUCATIONAL PROGRAMS AND OPERATIONS
LEVY

The Board of Directors of Seattle School District passed Resolution No. 18/19-2 concerning this proposition to maintain current educational funding. To continue high quality programs that are not state funded, this authorizes the District to levy the following excess taxes replacing an expiring levy on all taxable property within the District:

Collection Years	Estimated Levy Rate/\$1,000 Assessed Value	Levy Amount
2020	\$1.05	\$271,300,000
2021	\$0.96	\$271,700,000
2022	\$0.87	\$272,000,000

as provided in the Resolution, subject to legal limits at time of levy. Should this proposition be approved?

YES

NO.....

Select District Name:

Seattle Public Schools

Anticipated date of ballot

02/12/2019

Primary Contact Name and Email

JoLynn Berge

jdberge@seattleschools.org

name

e-mail

Districts are to fill out the green highlighted cells before printing and obtaining approver's signature. Completed forms can be returned to thomas.kelly@k12.wa.us or SAFS@k12.wa.us.

Part I. Basic Education Assurances

Will your district comply with WAC chapter 392-127 (46:1,000 compliance) using only state funds?

Yes

No

Will your district provide 180 days of instruction or obtain a waiver from SBE on an alternative calendar?

Yes

No

Part II. Narrative of Proposed Levy Expenditure Plan*

Educational programs and services including, but not limited to: special education, English language learners, building maintenance, transportation, school supplies, and staff and salaries above state allocations. For example, the state allocates 9 nurses for 53,000 students in Seattle and levy funds are used to provide an additional 50 nurses.

*OSPI approval of this plan does not constitute a legal opinion or approval of your official ballot language.

Part III. Enrichment Levy Revenues and Expenditures

	Calendar Year				
	2019	2020	2021	2022	2023
Estimated Enrichment Levy Collections	133,871,762	137,887,915	142,024,552	146,285,289	150,673,847
	School Year				
	2019-20	2020-21	2021-22	2022-23	
Estimated School Year Collection	135,361,085	139,421,918	143,604,575	147,912,712	
	School Year				
	2019-20	2020-21	2021-22	2022-23	
Estimated Expenditure Program					
Regular Instruction - 00	\$ 36,935,014	\$ 38,043,064	\$ 39,184,356	\$ 40,359,887	
Special Education Instruction - 20	\$ 43,359,914	\$ 44,660,711	\$ 46,000,533	\$ 47,380,549	
Vocational Education - 30	\$ 320,368	\$ 329,979	\$ 339,878	\$ 350,075	
Skill Center Instruction - 40		\$ -	\$ -	\$ -	
Compensatory Education - 50/60	\$ 20,241,297	\$ 20,848,536	\$ 21,473,992	\$ 22,118,212	
Other Instructional Programs - 70	\$ 973,103	\$ 1,002,296	\$ 1,032,365	\$ 1,063,336	
Community Services - 80	\$ 256,228	\$ 263,915	\$ 271,832	\$ 279,987	
Support Services - 90	\$ 33,275,161	\$ 34,273,416	\$ 35,301,618	\$ 36,360,667	
Totals By Program	\$ 135,361,085	\$ 139,421,918	\$ 143,604,575	\$ 147,912,712	
	And				
	2019-20	2020-21	2021-22	2022-23	
Estimated Expenditures by Object					
Salaries - Certified Employees - 02	\$ 41,880,958	\$ 43,137,387	\$ 44,431,509	\$ 45,764,454	
Salaries - Classified Employees - 03	\$ 47,664,291	\$ 49,094,220	\$ 50,567,046	\$ 52,084,058	
Benefits and Payroll Taxes - 04	\$ 31,788,423	\$ 32,742,075	\$ 33,724,338	\$ 34,736,068	
Non-capitalized items - 05	\$ 6,878,909	\$ 7,085,276	\$ 7,297,835	\$ 7,516,770	
Purchased Services - 07	\$ 6,098,222	\$ 6,281,169	\$ 6,469,604	\$ 6,663,692	
Travel - 08	\$ 196,079	\$ 201,961	\$ 208,020	\$ 214,261	
Capital Outlay - 09	\$ 854,203	\$ 879,829	\$ 906,224	\$ 933,411	
Totals By Object	\$ 135,361,085	\$ 139,421,918	\$ 143,604,575	\$ 147,912,712	
Variance Must Be Zero	\$ -	\$ -	\$ -	\$ -	
Variance to School Year Collection	\$ (0)	\$ (0)	\$ (0)	\$ (0)	

Part IV. Certification / Signature

I attest that all is true and correct.

Printed Name _____

Signature _____

Superintendent _____

Date _____

Part V. OSPI Decision

Approved

Date _____

Revision Requested

Date _____



Replacement for Educational Programs and Operations Levy, Resolution No. 18/19-2

Seattle Public Schools is committed to making its online information accessible and usable to all people, regardless of ability or technology. Meeting web accessibility guidelines and standards is an ongoing process that we are consistently working to improve.

While Seattle Public Schools endeavors to only post documents optimized for accessibility, due to the nature and complexity of some documents, an accessible version of the document may not be available. In these limited circumstances, the District will provide equally effective alternate access.

For questions and more information about this document, please contact the following:

JoLynn Berge,
Asst. Superintendent for Business & Finance,
jdberge@seattleschools.org

The current Educational Programs and Operations Levy will expire in calendar year 2019. The levy funds day-to-day educational programs and services not fully funded by the State.

Seattle Public Schools Operations Levy Option 8
\$1.05 Tax Rate

<u>Levy Year</u>	<u>Assessed Value</u>	<u>Adj.</u>	<u>Operations</u>	<u>BEX</u>	<u>BTA</u>	<u>Levy Rate per \$1,000 of Assessed Value</u>			
						<u>OPS</u>	<u>BEX</u>	<u>BTA</u>	<u>Total</u>
2014	\$128,220,197,738	9.7%	\$166,059,562	\$115,816,666	\$45,000,000	\$1.30	\$0.90	\$0.35	\$2.55
2015	\$144,478,745,125	12.7%	\$184,608,860	\$115,816,666	\$45,000,000	\$1.28	\$0.80	\$0.31	\$2.39
2016	\$163,282,285,516	13.0%	\$196,356,645	\$115,816,667	\$45,000,000	\$1.20	\$0.71	\$0.28	\$2.19
2017	\$185,762,527,792	13.8%	\$204,070,460	\$115,816,667	\$79,216,666	\$1.10	\$0.62	\$0.43	\$2.15
2018	\$213,501,606,186	14.9%	\$233,951,621	\$115,816,667	\$79,216,666	\$1.10	\$0.54	\$0.37	\$2.01
2019	\$234,851,766,805	10.0%	\$134,366,425	\$115,816,667	\$79,216,667	\$0.57	\$0.49	\$0.34	\$1.40
2020	\$258,336,943,485	10.0%	\$271,300,000	\$233,333,333	\$79,216,667	\$1.05	\$0.90	\$0.31	\$2.26
2021	\$284,170,637,834	10.0%	\$271,700,000	\$233,333,333	\$79,216,667	\$0.96	\$0.82	\$0.28	\$2.06
2022	\$312,587,701,617	10.0%	\$272,000,000	\$233,333,333	\$79,216,667	\$0.87	\$0.75	\$0.25	\$1.87
2023	\$343,846,471,779	10.0%		\$233,333,333			\$0.68		
2024	\$378,231,118,956	10.0%		\$233,333,334			\$0.62		
2025	\$416,054,230,852	10.0%		\$233,333,334			\$0.56		

<u>Levy Year</u>	<u>\$600K Home</u>	<u>Operations</u>	<u>BEX</u>	<u>BTA</u>	<u>Tax on \$600K Home</u>			
					<u>OPS</u>	<u>BEX</u>	<u>BTA</u>	<u>Total</u>
2017	\$600,000	\$204,070,460	\$115,816,667	\$79,216,666	\$659	\$374	\$256	\$1,289
2018	\$600,000	\$233,951,621	\$115,816,667	\$79,216,666	\$657	\$325	\$223	\$1,206
2019	\$600,000	\$134,366,425	\$115,816,667	\$79,216,667	\$343	\$296	\$202	\$842
2020	\$600,000	\$271,300,000	\$233,333,333	\$79,216,667	\$630	\$542	\$184	\$1,356
2021	\$600,000	\$271,700,000	\$233,333,333	\$79,216,667	\$574	\$493	\$167	\$1,234
2022	\$600,000	\$272,000,000	\$233,333,333	\$79,216,667	\$522	\$448	\$152	\$1,122

Notes

Assessed Values 2011-2018 are actual per Puget Sound Educational Service District.

Assessed Value 2019-2022 growth assumption is 10.0%.

BEX V is 6yr/\$1.4B for 2020-2025.

Seattle Median Residence Value for 2018 is \$597,000 per King County Assessor's Office.

Voter-approved Operations is 3yr/\$758.3M for 2017-2019. 2011-2018 are certified. 2019 is year 1 of State levy reform.

Voter-approved BTA IV is 6yr/\$475.3M for 2017-2022.

Voter-approved BEX IV is 6yr/\$694.9M for 2014-2019.