

TABLE OF CONTENTS

Executive Summary i

Levy History 1975-96

Table 1 - Excess General Fund Levy Election History 1975-96blue 1
Graph - Excess General Fund Levy Election Resultsblue 1
Table 2 - History of Certified Excess General Fund Levies 1975-96blue 2
Graph - State Average Excess General Fund Levy Rateblue 2
Table 3 - Excess General Fund Levy Revenue as a Percent of Total Revenueblue 3
Graph - Excess General Fund Levy Revenue as a Percent of Total Revenueblue 3
Table 4 - School District Bond Issue Election Resultsblue 4
Graph - Dollar Amounts Passed and Failedblue 5
Graph - Number of Districts Submitting Bond Issuesblue 5

Levy Election Results

Report 1463-GF Excess General Fund Levy Submissions for Collection in 1996white
Report 1463-BI Bond Issue Submissions - 1995 Election Yearwhite
Report 1463-TVF Transportation Vehicle Fund Levy Submissions - 1995 Election Yearwhite
Report 1463-CP Capital Project Fund Levy Submissions - 1995 Election Yearwhite

Actual 1996 Levies by Fund

Report 2010 1996 Property Tax Rates and Certified Levies by Fundblue

Supplemental Excess General Fund Levy Information

Report 1061 Analysis of Excess General Fund Levies Collectible in 1996white
Report 2030 1996 Levy Authority, Rollbacks, and Local Effort Assistancewhite

EXECUTIVE SUMMARY

BACKGROUND

Article 7 of the State Constitution and Chapter 84.52 RCW give school districts authority to levy local property taxes. Such levies must be approved by the voters of the school district. School district levies are of four fund types:

Excess general fund levies are one-year or two-year levies used for day-to-day operations of the school. Such levies are also known as "maintenance and operation" (M&O) levies.

Debt service fund levies are multi-year levies used to pay principal and interest on general obligation bonds sold to finance school construction and remodeling. Voter approval of a bond issue authorizes the sale of bonds and the levy of taxes over the life of the bonds, which is often 15 to 30 years. Tax revenues are deposited in the debt service fund.

Transportation vehicle fund levies are used to pay for school buses or other school transportation needs.

Capital project fund levies are one-year to six-year levies used to pay for school construction or remodeling.

LEVY HISTORY 1975-96

Tables and graphs on blue pages 1-5 summarize school levy history since 1975. Tables 1-3 summarize excess general fund levies. Table 4 summarizes bond issue election results.

Table 1 - The number of districts passing 1996 excess general fund levies reached a 21-year high of 260 districts. This was an increase from 245 districts in 1995. The number of districts that tried but failed to pass a levy decreased by nine. The total amount of approved levies continued to increase.

Table 2 - The statewide average excess general fund tax rate increased from the prior year. Ninety percent of this increase can be attributed to an increase in the number of levies passing. The levy per student also increased.

Table 3 - This table displays excess general fund levies as a percent of total school district revenues. The increase to 14.37% in 1995-96 is due to the increase in the number of districts passing levies for 1996 collections.

Table 4 - Bond issue submissions have increased since 1983. The decline in 1995 submissions reflects the typical decline for odd-numbered years. Enrollment growth has increased the need for bond issues to finance new school construction and remodeling. In the past twelve years total full-time equivalent (FTE) enrollment has grown from about 700,000 to over 886,000 FTE students.

LEVY ELECTION RESULTS

The Report 1463 series shows detailed election results for the four fund types.

Comments on Report 1463-GF

Report 1463-GF shows results of elections held in 1994 and 1995 for excess general fund levies collectible in 1996.

Voter approval requires either total votes of at least 40% of votes cast in the last general election and at least 60% "Yes" votes or, if total votes are less than 40%, "Yes" votes of at least 24% (60% of 40%) of votes cast in the last general election.

Excess general fund levies for 1996 increased in number and in amount from 1995 levels. The number of districts submitting levies increased to 271. The number of districts with successful levies increased from 245 to 260 districts. The number of districts not submitting an excess general fund levy to the voters was 25, which is the lowest number during the past 22 years. The dollar amount of approved levies increased by 11.5% to \$839 million. Actual levy collections increased by a lesser amount due to the levy lid.

Levy election data for these reports came from county auditors' reports. The tax rate shown in "dollars per thousand" was an estimate when the election was held. Actual tax rates are shown in Report 2010.

Comments on Report 1463-BI

Report 1463-BI shows the results of bond issue elections held in 1995. Voter approval of a bond issue permits the school district to issue general obligation bonds which will be repaid by debt service fund levies made over the life of the bonds. For example, a bond issue approved in 1995 may result in debt service levies in calendar years 1997 through 2024.

Voter approval requires at least 60% "Yes" votes and total votes of at least 40% of votes cast in the last general election. School districts may run a bond levy only two times in a calendar year. Unsuccessful levies may be resubmitted in subsequent years.

Bond issues totaling over \$915 million were submitted and \$131 million (14%) received voter approval. Of the 45 districts submitting bond issues, 15 districts (33%) were successful.

Comments on Report 1463-TVF

Report 1463-TVF shows the results of transportation vehicle fund levy elections held in 1995.

Transportation vehicle fund levies are deposited in the transportation vehicle fund and used for purchase and repair of pupil transportation vehicles (mostly school buses). Voter approval requirements are the same as excess general fund levies.

In 1995, two districts submitted transportation vehicle fund levies totaling \$529 thousand. One district passed a levy of \$89 thousand for collection in 1996.

Comments on Report 1463-CP

Report 1463-CP shows the results of capital project levy elections held in 1995 for collection in 1996 through 2001.

Capital project levies must be used for construction, modernization, or remodeling of school facilities. Capital project levies for up to six years may be approved at a single election. Voter approval requirements are the same as for bond issues.

In 1995, seven districts submitted capital project levies totaling \$330.77 million. Six districts passed levies totaling \$330.27 million for collection in 1996 through 2001.

ACTUAL 1996 LEVIES BY FUND

Report 2010 shows actual tax rates and levy amounts certified for collection in 1996 for all four types of levies. The state average and highest tax rates are as follows:

	<u>Total</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Transport. Vehicle</u>	<u>Capital Projects</u>
Average Tax Rate (\$/1000)	\$4.33	\$2.62	\$1.36	\$0.01	\$0.34
Highest Tax Rate (\$/1000)	\$17.05	\$8.91	\$17.05	\$0.89	\$1.82

The tax rates shown on this report are actual rates used by county assessors as reported to the Department of Revenue. Tax rates shown are rounded to four decimal places. Certified levy amounts are those certified to county commissioners in the fall of 1995 for collection in calendar year 1996.

Total excess general fund levies certified for collections in 1996 are \$26.6 million less than the amount approved by voters as shown in Report 1463-GF. Differences are shown by district on attached Report 2030. Most of the difference is due to the levy lid that limits the dollar amount of general fund levies.

Tax rates and certified levy amounts for debt service levies are those calculated by county assessors for collection in 1996 for payment of principal and interest on outstanding bonds. Certified 1996 debt service fund levies include levies approved by voters prior to 1995 as well as those shown in Report 1463-BI.

SUPPLEMENTAL EXCESS GENERAL FUND LEVY INFORMATION

Comments on Report 1061

Report 1061 shows assessed valuations and tax rates for 1996 excess general fund levies as reported by county assessors to the Department of Revenue (DOR).* Certified levy amounts were reported to the Office of Superintendent of Public Instruction (OSPI) by educational service districts (ESDs). Additional columns provide analysis of levy valuations and certified levies per full-time equivalent (FTE) student.

SUMMARY	Avg. for <u>All Districts</u>	Avg. Dists. <u>with Levies</u>	-----Range-----		
			<u>High</u>	<u>Low</u>	
Tax Rate (\$/1000)	\$2.62	\$2.69	\$8.91	\$0.29	**
Levy Valuation Per FTE		\$349,775	\$353,632	\$3,597,356	\$22,642 ***
Certified Levy Per FTE	\$917	\$953	\$1,875	\$31	**

* Excess general fund levy assessed valuations include property valuations plus the greater of one-half timber assessed valuations (1/2 TAV) or 80% of the 1983 timber roll. Property valuations have been reduced by the amount of senior citizen exemptions.
 ** Range for districts with levies.
 *** Range for all districts.

Comments on Report 2030

Report 2030 shows how the levy lid law (RCW 84.52.0531) affected 1996 levy collections. Twenty-seven districts had to reduce or "rollback" 1996 levies by a total of \$26 million due to the levy lid. Two districts voluntarily rolled back their levies by an additional \$0.6 million.

Report 2030 also shows 1996 local effort assistance (LEA). LEA, also known as levy equalization, is state matching money paid to eligible districts. To be eligible, a district must have a tax rate for a hypothetical 10% levy in excess of the statewide average 10% levy rate. (This rate is \$1.297/1000 in 1996.) In determining 10% levy rates, assessed values are adjusted to 100% of market value using the county indicated ratios determined by the Department of Revenue.

Of the state's 296 school districts 217 are eligible for LEA in 1996. Of the 217 eligible districts, 173 receive the maximum LEA. Fifteen eligible districts assessed less than \$1.297/1000 and therefore qualify for only a portion of the maximum possible matching money. Twenty-nine eligible districts did not pass an excess general fund levy and therefore receive no LEA.

The last two columns on Report 2030 show each school district's levy authority percent and actual levy percent. In 1993 the Legislature increased the levy authority percent by four percent for the 1994 and 1995 collection years. For most districts, this increased their levy authority from 20% to 24%. In 1995 the Legislature extended the increase through 1997.

The actual levy percent is calculated by adding the district's certified levy and LEA allocation and dividing the result by the district's levy base (adjusted for transfers). About 87% of all students reside in school districts levying 15% or more of their levy base. About 63% of all students reside in school districts levying more than 20% of their levy base. About 38% of all students reside in school districts levying more than 24% of their levy base.

QUESTIONS

Questions relating to Report 1463 may be directed to Maryann Thielen at (360) 753-1717. Questions relating to all other reports should be directed to Steve Shish at (360) 753-6708. The agency TDD number is (360) 664-3631.