

# Information About Future Capital Levies

## Follow-up to the August 19, 2020 board summer workshop

September 3, 2020

### 2020 School Tax Rates in Snohomish County from Highest to Lowest

|                 |                        |
|-----------------|------------------------|
| Everett         | 4.88 per \$1,000 of AV |
| Granite Falls   | 4.70                   |
| Snohomish       | 4.68                   |
| Lakewood        | 3.99                   |
| Marysville      | 3.97                   |
| Edmonds         | 3.71                   |
| Lake Stevens    | 3.66                   |
| Stanwood Camano | 3.22                   |
| Monroe          | 2.66                   |
| Mukilteo        | 2.55                   |
| Arlington       | 2.54                   |
| Sultan          | 2.01                   |
| Darrington      | 1.79                   |
| Index           | 0.72                   |

**Tax Rate Projections and Assumptions** – The tax rate projections listed below have been updated to account for finalization of the 2020 tax rate at \$4.88 and failure of the August 2020 bond, and are based on the following assumptions: Assessed Valuations (AV) will increase by 5.3% in 2021 and an average of 3% per year thereafter; and voters will approve EPO and capital levies in 2022 followed by future levies and bonds every four to six years.

|        |                        |
|--------|------------------------|
| \$4.88 | 2020 per \$1,000 of AV |
| \$3.70 | 2021                   |
| \$3.47 | 2022                   |
| \$3.72 | 2023                   |
| \$3.11 | 2024                   |
| \$3.11 | 2025                   |
| \$3.11 | 2026                   |
| \$3.11 | 2027 and later         |

**Question 1: What would the tax rates have been if we had put the entire \$317.4 million bond package on a 6-year capital levy in 2020?**

**Answer 1:** If the above assumptions remain unchanged, our projected tax rates...

- Would have been approximately \$6.13 per \$1,000 of AV in 2021
- Would have fluxuated between \$6.02 and \$5.20 from 2022 until 2026
- Would have dropped to about \$3.28 in 2027 and remained there through 2038.

Question 2: The board wants to learn more about the possibility of running a capital levy in February or April 2021 to provide funding for our critical capital needs, which would bring about a one-year overlap of capital levy tax rates/collections during 2022. How large could a new 2021 capital levy be and maintain the current 2020 (\$4.88) tax rate?

Answer 2: Our projections already build in a replacement capital levy in 2022 which would provide about \$16 million per year for technology. If the assumptions above remain unchanged, the district could collect an additional \$150 million over the next six years while still maintaining the current tax rate of \$4.88.

*(Note: the new capital levy would likely be combined with and take the place of the anticipated replacement capital levy in 2022. Therefore, the total levy amount estimated to be collected over the next six years would be \$150 million plus \$16 million each year for technology beginning in year two, for a grand total of \$230 million.)*

Question 3: What would the dollar amounts and resulting tax rates be if we proposed a 2021 capital levy for various “themes” addressing certain categories of work from the 2020 bond package, like STEM “program enhancements” or maintenance/safety “building improvements”?

Answer 3: if the assumptions above remain unchanged

- A 2021 three-year levy of \$88 million would fund the high school STEM projects in the 2020 bond proposal while still maintaining the current tax rate of \$4.88
- A 2021 six-year levy of approximately \$150 million would fund construction of many of the maintenance/safety building improvements in the 2020 bond proposal while still maintaining the current tax rate of \$4.88

Question 4: Are the monies collected by the state from our taxpayers for schools going back into our district or are they being sent elsewhere?

Answer 4: While we know how much money our district receives from the state’s general fund each year (e.g. \$264.2 million in 2019-20), we do not know of an accurate way to determine how much money in total is collected by the state from taxpayers in our district. This is because the state collects revenues from our residents in multiple ways including property taxes, sales taxes, business and occupation taxes, lottery proceeds, interest earnings, and other miscellaneous sources; and these funds are in turn used by the state for many purposes besides K-12 public education.