

# Wahkiakum School District Replacement Enrichment Levy

Wahkiakum School District is asking its voters to approve a **replacement** enrichment levy on February 13<sup>th</sup>, 2018. This levy will be a four-year levy and it will replace the four-year levy that was passed in 2014. **This levy will not be an additional tax, but is instead replacement funding needed once the existing funding expires this coming year.**

The levy request will be for a fixed amount of \$997,000 each of the four years - 2019, 2020, 2021 and 2022. Our estimated tax rate is \$2.38 per thousand of assessed valuation of property – this is a decrease from our estimated tax rate of \$2.73 that the voters passed in 2014, for the exact same amount of money.

A great deal of news of late has attempted to describe the effects of the recent Washington State Supreme Court's McCleary decision and its relation to the requirement that the State of Washington fully funds basic education. This spring the legislature passed HB 2242, which was intended to meet the requirements of the Supreme Court decision. While the bill does send more State dollars to school districts to fund basic education, it unfortunately also contains specific stipulations that affect school districts differently.

For example, the law restricts the use of levy dollars to enrichment activities only. Enrichment activities are broadly defined and include: extracurricular activities, extended school days, additional course offerings beyond the minimum instructional program established in the State's statutory program of basic education, additional special education costs beyond the funded amount, to name a few. Without the levy passing, these programs would not exist.

But even more important to Wahkiakum School District, the law also modifies RCW 84.52.0531 and says that beginning with taxes levied in 2019, levy assessments cannot exceed the lesser of \$1.50/\$1,000 of assessed valuation in the district or \$2,500 per student FTE.

In a nutshell, the overall impact of HB 2242 as it is currently written represents a "perfect storm" for Wahkiakum School District. When we consider the increase in State revenue, coupled with restrictions on local levy and increases in expected costs for cost of living raises, increased retirement rates, increased health insurance, etc.; the net effect for our school district is an expected net loss to our fund balance of at least a little over one million dollars during the next three years. And that amount is more than the District even has in its fund balance today!

So what can Wahkiakum School District do about this?

First, it can educate its legislators that a "fix" is definitely needed. There is a concerted effort right now to persuade our legislators to tweak HB 2242 during its short legislative session. Should this not happen, our levy will have to be rolled back from \$2.38 to \$1.50 per thousand of assessed value of property. Secondly, the District and PTO can seek the support of our community and inform our local voters to realize that passage of this levy is critical to the continued operation of our school system as we know it today.

"But what about the State's increase to the local property tax rate?" you might ask. Unfortunately there is nothing that we can do to change that. But we can inform you that the District made its last payment on its bond issue (new middle school and remodeled grade school) in December, 2017; thereby reducing the overall tax rate by \$.47/\$1,000 assessed valuation. And the District only has one more payment of \$.27/\$1,000 for the capital projects levy that was passed in the fall of 2014. This combined \$.74/\$1,000 will help offset the State's estimated tax rate increase of \$1.00/\$1,000 assessed valuation of property.

Please call the District office at 360-795-3971 with questions, or better yet; **please consider visiting the District Office (located in our high school)**, where you can have a face-to-face conversation with the District's superintendent, Bob Garrett.

**Thank you for your understanding and please do vote in support of our levy on February 13<sup>th</sup>.**