

Updated Feb. 5, 2019 (New questions and answers are in blue.)

HSD 2020-2022 Levy Request: Background and Q&A

Measures on the Feb. 12, 2019 ballot:

- Replacement School Programs and Operations Levy
- Capital Levy for Technology and School Improvements

New Questions and Answers (posted Feb. 5, 2019)

Q: Will my property taxes jump if the levies are approved?

A: Many factors affect property taxes, including local levies and state levies. Increases in the assessed value of a property also make an impact.

To see how HSD's proposed levy rate changes would impact a hypothetical \$400,000 house beginning in 2017, please see the Tax Information chart on p. 3 of ["Your Levy Guide."](#)

Here is where to find current information about your property's assessed value, and local and state taxes:

1. Visit Clark County's Property Information Center online at <https://gis.clark.wa.gov/gishome/Property/>.
2. Enter your address to reach your account.
3. Click on the "Taxes" tab to see your current and past tax information.
4. Click on the "Tax Distribution" button to find your property tax rates, your actual taxes and the difference you will pay between 2018 and 2019 for each individual tax.

Q: I hear that HSD has received more than \$4.4 million in additional revenue between the 2016-17 school year and the 2018-19 school year. Why do we still need levies?

A: State funding for education is based on student enrollment and uses a prototypical school funding formula. HSD budgeted for 124 more students in 2018-19 than it did in 2016-17, which contributes to an increase in revenues.

The change in revenues also includes price increases for services, such as student transportation. Additionally, the state funding model changed significantly in 2018-19, adding what is known as “McCleary funding” designated for increases in certificated and support staff salaries.

Levies bridge the gap between what the state funds and what it takes to provide educational programs and services. See question No. 3 (below) for more details on why levies are needed.

Q: Why does HSD report more than \$12,000 in expenditures per student when some private schools can educate students for a smaller tuition?

A: Public schools and private schools offer different services. Some services that private schools may or may not offer include transportation, special education services, food service, birth-to-5 education, counselors, extra-curricular activities and so on. It is difficult to make an apples-to-apples comparison between public and private schools.

Background and summary of request

Hockinson School District has had a School Programs & Operations Levy in place since 1996. The District also had a Capital Levy for Technology & School Improvements from 2009-2016.

The Replacement School Programs & Operations Levy would continue funding for basic programs and services for the next three years.

The Capital Levy for Technology & School Improvements would fund instructional technology and major capital items for the next three years.

Proposed Replacement School Programs & Operations Levy amounts to be collected:

2020 - \$2,685,000

2021 - \$3,005,000

2022 - \$3,335,000

Proposed (estimated) Replacement School Programs & Operations Levy rates (per \$1,000 assessed property value):

2020 - \$1.50

2021 - \$1.50

2022 - \$1.50

Proposed Capital Levy for Technology & School Improvements amounts to be collected:

2020 - \$800,000

2021 - \$800,000

2022 - \$800,000

Proposed (estimated) Capital Levy for Technology & School Improvements rates (per \$1,000 assessed property value):

2020 - \$0.45

2021 - \$0.40

2022 - \$0.36

Projected Local Levy Tax Rates for Hockinson Schools			
		Replacement School Programs & Operations Levy	Capital Levy for Technology & School Improvements
Actual	2017	\$ 3.20	
Actual	2018	\$ 3.43	
Projected	2019	\$ 1.50	
Projected	2020	\$ 1.50	\$ 0.45
Projected	2021	\$ 1.50	\$ 0.40
Projected	2022	\$ 1.50	\$ 0.36

Why school districts need levies

Local levies help districts make up the difference between state education funding and what it costs to educate students.

1. Didn't the state Legislature fix the education funding system this year?

The state Legislature overhauled education funding this year and changed the way school districts are funded.

The state increased funding for basic education by raising state property taxes, but it also decreased the amount of money school districts can raise using local levies.

2. What does that mean for Hockinson's levy situation?

In 2016, Hockinson voters agreed to a three-year levy that in 2018 collected \$4.7 million—\$3.43 per \$1,000 assessed value (AV).

However, because the Legislature capped local levies at \$1.50 per \$1,000 AV, the district will collect only \$2.4 million in 2019 instead of the \$5 million voters had approved for 2019.

With the current local levy expiring in 2019, the district is asking residents to approve two three-year levies (2020-22): a Replacement School Programs & Operations Levy—at an estimated \$1.50 per \$1,000 AV—and a Capital Levy for Technology & School Improvements for an estimated \$0.36 to \$0.45 per \$1,000 AV.

If approved, the levies would collect \$3,485,000 in 2020.

3. What are levies used for?

Levies help pay for special education, technology, staffing, transportation and other expenses. Many needs have emerged since the state set up its school model, which sets how much funding the district receives from the state for what it defines as “basic education.”

Levies also fund areas that are not included in the state’s definition of “basic education,” such as important educational programming, athletics, fine arts and extracurricular activities.

They also fund improvements, including security and safety, and pay for staff that the district and community have determined are needed beyond the state’s funding model.

For example, the state allocates money for one 0.3 FTE (full-time equivalent) nurse for the entire district. HSD has determined that the district functions more efficiently and safely with more nursing services, so the district contributes funding to pay for two part-time nurses whose total time equals one 0.9 FTE.

Levies remain a key piece of the district’s budget and enable the district to continue meeting its commitment to students, educators and our community.

4. What does the school district do with the impact fees it collects on new homes?

Impact fees are restricted to the Capital Project Fund and may only be used to add more facility space for students. The district has been using these funds to install portable classrooms at the Elementary School.

Future/additional district funding needs

5. Will the district be requesting additional funding in the near future?

Significant population growth in Hockinson School District over the past decade has filled Hockinson Heights Elementary School and created a need for the school to expand into portable classrooms.

The HHES property will be at capacity for portable classrooms as of summer 2019, according to county regulations. Hockinson is exploring the possibility of building a replacement elementary school but no decisions have been made.

6. How much does the current bond cost?

The bond, which was approved by voters in 2015 and was used to build the Middle School and improve the High School, is set to expire in 2034.

Projected Bond Rate for Hockinson Schools		
Actual	2017	\$ 2.36
Actual	2018	\$ 2.20
Projected	2019	\$ 1.98
Projected	2020	\$ 1.78
Projected	2021	\$ 1.64
Projected	2022	\$ 1.50

7. What can bonds be used for?

Bonds are for building capital facilities. They cannot be used for school programs and operations.

Basic facts about the Proposed Replacement School Programs & Operations Levy

8. What is a School Programs & Operations Levy?

A School Programs & Operations (SP&O) Levy provides local funding support for educational programs and services.

9. Why is Hockinson School District submitting a levy proposal?

The state provides the majority (approximately 85 percent in 2019), but not all, of the total dollars necessary to maintain Hockinson's educational program. The federal government provides some additional funding. Local levy dollars make up the shortfall (approximately 9 percent of the district's budget starting in 2019-20).

10. Is this a new levy?

No. This is a replacement levy. Hockinson School District has had this type of levy in place since 1996.

11. Why is the district asking for a replacement levy at this time?

Voters must reauthorize the levy for every year. The current levy expires in 2019. The replacement levy on the Feb. 12, 2019, ballot would continue to fund the difference between state and federal allocations and the actual cost of operating our schools through the year 2022.

12. How will the SP&O levy funds be spent?

- Teachers and support positions
- Staff training and professional development
- Special Education programs
- Extracurricular athletics and activities
- Student transportation

13. Why is the district asking for a three-year levy?

Multiple-year levies help with planning and save on election costs.

Basic facts about the Capital Levy for Technology & School Improvements

14. What is a Capital Levy for Technology & School Improvements?

A Capital Levy for Technology & School Improvements provides local funding for instructional technology, replacement of technology hardware/software and capital improvements to facilities.

15. Why is Hockinson School District submitting a levy proposal?

The State does not provide enough funding for capital technology and major capital improvements. These costs would need to come from other district funds and would reduce the quality of existing programs.

16. Is this a new levy?

Hockinson School District had a Capital Levy in place from 2009 to 2016 but did not need one from 2017 to 2019 because of the new Middle School construction project and High School improvements, which were funded by a bond.

17. How will the Capital Levy for Technology & School Improvements funds be spent?

- Instructional technology in the classroom (cycle refresh)
- Technology hardware and software
- Safety and security improvements
- HVAC repairs and improvements
- Building and site capital improvements

Information on the levy amounts

18. What are the dollar amounts of the district's Feb. 12 proposal?

The district is requesting authorization of \$2,685,000, \$3,005,000 and \$3,335,000 for the Replacement School Programs & Operations collections in 2020, 2021, and 2022, and \$800,000 for the Capital Levy for Technology & School Improvements in 2020, 2021 and 2022.

19. How are the tax rate amounts set?

For the Replacement School Programs & Operations Levy, Washington state law limits the amounts local districts can request. Beginning in 2019, districts are limited to requesting \$1.50 per \$1,000 of assessed valuation. Depending on growth and home values, the tax rate may be less than \$1.50 but not more than \$1.50. The Capital Levy for Technology & School Improvements does not have a set tax rate limit. Both levy amounts and estimated tax rates are approved by resolutions of the Board of Directors.

20. Will Hockinson School District receive levy equalization funds from the state?

The district receives levy equalization funds from the state but only if the Replacement School Programs & Operations Levy is approved by voters. For the 2018-19 fiscal year, the district will receive approximately \$558,000 in levy

equalization funds from the state. With the passage of the replacement levy, Hockinson School District can expect levy equalization funds to continue. Our school district qualifies for levy equalization funds because our tax base is lower than that of wealthier school districts.

21. What are the estimated tax rates for HSD's proposed levies?

Voters approve the amounts of school levies, not the tax rates. These are the estimated rates per \$1,000 assessed property value:

Replacement School Programs & Operations Levy

- 2020 - \$1.50
- 2021 - \$1.50
- 2022 - \$1.50

Capital Levy for Technology & School Improvements

- 2020 - \$0.45
- 2021 - \$0.40
- 2022 - \$0.36

22. Will housing growth lower my tax rates?

The levy amounts are set and will not change. However, if growth is greater than projected, then levy rates would decrease.

School funding changes and tax impacts

23. Didn't the state just raise the state schools tax rate?

Yes, this is part of what is known as the "levy swap." The state schools tax rate increased in 2018, and the Legislature limited local school tax rates to \$1.50 per \$1,000 assessed value, beginning in 2019.

24. My taxes went up significantly in 2018. What will happen to my tax rate going forward?

2018 (the orange row) has been a transition year with higher tax rates, because the state rate increased to \$2.89 in 2018.

2019 (the blue row) is projected to bring rates down below 2017's, because Hockinson's local levy will drop to \$1.50.

Hockinson School District		LOCAL	LOCAL	LOCAL	STATE	TOTAL
Projected Tax Rates		TAX RATE				
		SP&O	Capital		Schools	
		Levy	Levy	Bonds	Tax	
Actual	2017	\$3.20	\$0.00	\$2.36	\$1.98	\$7.54
Actual	2018	\$3.43	\$0.00	\$2.20	\$2.89	\$8.52
Projected	2019	\$1.50	\$0.00	\$1.98	\$2.40	\$5.88
Estimated	2020	\$1.50	\$0.45	\$1.78	\$2.70	\$6.43
Estimated	2021	\$1.50	\$0.40	\$1.64	\$2.70	\$6.24
Estimated	2022	\$1.50	\$0.36	\$1.50	\$2.70	\$6.06

25. How would the proposed 2020-22 levies affect the tax bill for a house assessed at \$400,000 in 2017?

The following table includes:

- expiring and proposed levies
- the existing bond
- the state schools tax

It shows how taxes would change if the assessed value of the home were to remain unchanged (“AV inc 0%”) and if it were to increase 5 percent per year (“AV inc 5%”).

HSD sample taxes		LOCAL	LOCAL	LOCAL	STATE	TOTAL	Example	Example	Example	Example
\$400K assessed value home		TAX RATE	\$400,000	Taxes	\$400,000	Taxes				
increasing 0% and 5% annually		SP&O	Capital		Schools		home avg		home avg	
		Levy	Levy	Bonds	Tax		AV inc 0%		AV inc 5%	
Actual	2017	\$3.20	\$0.00	\$2.36	\$1.98	\$7.54	\$400,000	\$3,016	\$400,000	\$3,016
Actual	2018	\$3.43	\$0.00	\$2.20	\$2.89	\$8.52	\$400,000	\$3,408	\$420,000	\$3,578
Projected	2019	\$1.50	\$0.00	\$1.98	\$2.40	\$5.88	\$400,000	\$2,352	\$441,000	\$2,593
Estimated	2020	\$1.50	\$0.45	\$1.78	\$2.70	\$6.43	\$400,000	\$2,572	\$463,050	\$2,977
Estimated	2021	\$1.50	\$0.40	\$1.64	\$2.70	\$6.24	\$400,000	\$2,496	\$486,203	\$3,034
Estimated	2022	\$1.50	\$0.36	\$1.50	\$2.70	\$6.06	\$400,000	\$2,424	\$510,513	\$3,094

To determine taxes for your home, use the following formula:

$$\text{Assessed Value}/\$1,000 \times \text{Tax Rate} = \text{Taxes}$$

If your home has an AV of \$475,000 and you want to learn how much you will pay in 2020 specifically for school bonds, the equation would be:

$$\$475,000/\$1,000 \times \$1.78 = \$845.50$$

Voters and the election

26. Who is eligible to vote on these school levies?

Registered voters living within the boundaries of Hockinson School District may vote on the district's Feb. 12 levies.

27. When will ballots be mailed?

Jan. 25, 2019.

28. What percentage of "yes" votes is required for approval of the levy?

A 50 percent majority of "yes" votes is required to approve the school district levy measure.

29. How will the election be conducted?

This is an all-mail-in election. Ballots will be mailed out to registered voters on Jan. 25. Voters who live in Clark County but who will be out of town between Jan. 25 and Feb. 12 may have a ballot mailed to an alternate address.

30. How can I cast my ballot?

Ballots may be returned by mail to the Clark County Elections Department. They must be postmarked by Feb. 12. Postage is not required. Ballots may also be dropped off at Fire District 3, 17718 NE 159th St., from 7 a.m. until 8 p.m. Remember to sign your ballot.

31. What programs are offered for Tax Relief for senior citizens, disabled persons, etc.?

Please call the Clark County Assessor's office at 564-397-2391, option 4, or email deferral@clark.wa.gov. Information is online at www.clark.wa.gov/assessor/tax-relief

32. Why are we voting on propositions 4 & 5 instead of propositions 1 & 2?

Beginning in 2015, Clark County required school districts to use cumulatively numbered propositions. Since then Hockinson residents have voted on:

- Proposition 1 (in 2015): the bond to build the new Middle School and improve the High School (approved)
- Proposition 2 (in 2016): the 2017-19 levy (approved)
- Proposition 3 (in 2017): the turf levy (not approved)

Sources of Levy Information

33. What does the school district provide?

A school district can, and must, provide information about the proposed levy to citizens of the community. The school district puts levy information on the district website and newsletters. It may also send home levy facts with students. The district also mails a fact sheet to all residents of the community.

34. Who promotes the levy?

The Hockinson Citizens Levy Committee is a community group that stays informed about Hockinson School District, endorses the levy and promotes the levy.

35. Where can I get more information about the levy?

Information will be shared on the HSD website at www.hocksd.org. Community members are also welcome to contact the Superintendent's Office at 360-448-6400 or email sandra.yager@hocksd.org.