

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Resolution No. 317 Declaring Support for Shoreline School District Ballot Proposition No. 1: Supplemental Levy to Support Class Size
DEPARTMENT: City Manager's Office
PRESENTED BY: Eric Bratton, Management Analyst
ACTION: _____ Ordinance X Resolution _____ Public Hearing _____ Motion _____ Discussion

PROBLEM/ISSUE STATEMENT

Councilmembers Doris McConnell and Chris Roberts have requested that this item be placed on the City Council agenda for consideration. The attached resolution would declare City Council support for the Shoreline School District's ballot Proposition No. 1 scheduled for the general election on November 8, 2011.

BACKGROUND

Generally, Washington State law prohibits the use of any public resources in support or opposition to candidates or ballot issues. However, RCW 42.17.130 provides an exception that allows a city to take a position on a ballot issue as long as: 1) the notice of the Council meeting includes the title and number of the ballot proposition, and 2) an equal opportunity is provided to both sides to speak. To facilitate this, the Council held a public hearing on October 3 to take comments on Resolution No. 317, which would declare Council's support of the Shoreline School District ballot Proposition No. 1.

The details of the ballot proposition are contained in the attached documents from the Shoreline School District. Superintendent Sue Walker will be available to answer questions at tonight's meeting.

On occasion, the Council has voted to support ballot propositions if it determines the proposition will have a direct impact on the Shoreline community. These have included propositions supporting the Shoreline Fire District, Emergency Medical Services, King County Metro Transit, and, most recently, the Shoreline School District. In January 2010, Council voted to support a maintenance and operations levy, a technology improvement levy, and a bond measure for the modernization and replacement of Shorecrest and Shorewood High Schools.

RECOMMENDATION

It is recommended that the Council review and consider the adoption of Resolution No. 317.

Approved By: City Manager  City Attorney 

ATTACHMENT A: Resolution No. 317

ATTACHMENT B: Shoreline School District Resolution No. 2011-14: Supplemental
Levy to Support Class Size

ATTACHMENT C: Supplemental Levy Fact Sheet

ATTACHMENT D: Explanatory Statement

RESOLUTION NO. 317

A RESOLUTION OF THE CITY COUNCIL, CITY OF SHORELINE, WASHINGTON, SUPPORTING SHORELINE SCHOOL DISTRICT PROPOSITION 1, A SUPPLEMENTAL LEVY TO SUPPORT CLASS SIZE

WHEREAS, due to state budget reductions to basic education, the Shoreline School District will receive approximately \$6.2 million less annually from the State; and

WHEREAS, with the budget reductions, the Shoreline School District believes it will not have sufficient funds available for the 2012-2013, 2013-2014, and 2014-2015 school years to maintain class sizes at current levels; and

WHEREAS, the Shoreline School District Board approved holding a special election, in conjunction with the State general election held on November 8, 2011, placing a proposition on the ballot; and

WHEREAS, the School District's Proposition 1 levy would support maintaining the current class size model; and

WHEREAS, passage of Proposition 1 would allow the levy of \$1.3 million of property taxes in 2012, \$1.4 million in 2013, and \$1.5 million in 2014; now therefore

THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, HEREBY RESOLVES:

That the City Council of the City of Shoreline hereby expresses its support for Proposition 1, Shoreline School District supplemental levy to support class size and encourages voters to approve this proposition at the general election to be held on November 8, 2011.

ADOPTED BY THE CITY COUNCIL ON OCTOBER 10, 2011.

Keith A. McGlashan, Mayor

ATTEST:

Scott Passey, City Clerk

SHORELINE SCHOOL DISTRICT NO. 412
KING COUNTY, WASHINGTON

SUPPLEMENTAL LEVY TO SUPPORT CLASS SIZE

RESOLUTION NO. 2011-14

A RESOLUTION of the Board of Directors of Shoreline School District No. 412, King County, Washington, providing for the submission to the voters of the District at a special election to be held therein on November 8, 2011, in conjunction with the State General election to be held on the same date, of a proposition authorizing a supplemental tax levy to be made annually for three years commencing in 2011 for collection in 2012 on all of the taxable property within the District of \$1,300,000, the estimated dollar rate of tax levy required to produce such an amount being \$0.09 per \$1,000 of assessed value (such assessed value representing 100% of true and fair value unless specifically provided otherwise by law), in 2012 for collection in 2013 of \$1,400,000, the estimated dollar rate of tax levy required to produce such an amount being \$0.09 per \$1,000 of assessed value, and in 2013 for collection in 2014 of \$1,500,000, the estimated dollar rate of tax levy required to produce such an amount being \$0.10 per \$1,000 of assessed value, all in excess of the maximum tax levy specified by law for school districts without voter approval, for the District's General Fund, the proceeds of such levies to be used to support class size in response to State budget reductions, all as more particularly set forth herein; designating the District's Deputy Superintendent and special counsel to receive notice of the ballot title from the Director of Records and Elections of King County, Washington; and providing for other matters properly related thereto, all as more particularly set forth herein.

ADOPTED: JULY 27, 2011

This document prepared by:

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SHORELINE SCHOOL DISTRICT NO. 412
KING COUNTY, WASHINGTON

RESOLUTION NO. 2011-14

A RESOLUTION of the Board of Directors of Shoreline School District No. 412, King County, Washington, providing for the submission to the voters of the District at a special election to be held therein on November 8, 2011, in conjunction with the State General election to be held on the same date, of a proposition authorizing a supplemental tax levy to be made annually for three years commencing in 2011 for collection in 2012 on all of the taxable property within the District of \$1,300,000, the estimated dollar rate of tax levy required to produce such an amount being \$0.09 per \$1,000 of assessed value (such assessed value representing 100% of true and fair value unless specifically provided otherwise by law), in 2012 for collection in 2013 of \$1,400,000, the estimated dollar rate of tax levy required to produce such an amount being \$0.09 per \$1,000 of assessed value, and in 2013 for collection in 2014 of \$1,500,000, the estimated dollar rate of tax levy required to produce such an amount being \$0.10 per \$1,000 of assessed value, all in excess of the maximum tax levy specified by law for school districts without voter approval, for the District's General Fund, the proceeds of such levies to be used to support class size in response to State budget reductions, all as more particularly set forth herein; designating the District's Deputy Superintendent and special counsel to receive notice of the ballot title from the Director of Records and Elections of King County, Washington; and providing for other matters properly related thereto, all as more particularly set forth herein.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SHORELINE SCHOOL DISTRICT NO. 412, KING COUNTY, WASHINGTON, as follows:

Section 1. Findings and Determinations. The Board of Directors (the "Board") of Shoreline School District No. 412, King County, Washington (the "District"), hereby makes the following findings and determinations:

(a) Pursuant to Resolution No. 2009-28, adopted by the Board on November 16, 2009 (which resolution by this reference is incorporated herein) ("Resolution No. 2009-28"), a proposition was submitted to the qualified voters of the District for their approval or rejection at a special election held therein on February 9, 2010, authorizing a four-year General Fund replacement educational programs, maintenance and operations excess tax levy commencing in 2010 for collection in 2011 of \$21,500,000, in 2011 for collection in 2012 of \$21,750,000, in 2012 for collection in 2013 of \$22,200,000, and in 2013 for collection in 2014 of \$22,650,000, the proceeds of such levies to be used to pay general expenses of educational programs, maintenance and operations, all as more particularly set forth in Resolution No. 2009-28, and that proposition was approved by the requisite number of voters.

(b) Pursuant to Substitute House Bill 2893, effective March 29, 2010 ("SHB 2893"), the Washington State Legislature (the "Legislature") enhanced the maintenance and operations levy authority of school districts. SHB 2893, among other things, authorized school districts to increase their maximum levy lid percentages from 24% to 28% in years 2011 through 2017, and to include certain amounts in their levy bases. *See* Laws of 2010, ch. 237, § 2 (codified in RCW 84.52.0531). In SHB 2893, the Legislature further stated that it "recognizes that school districts request voter approval for two-year through four-year levies based on their projected levy capacities at the time that the levies are submitted to the voters. It is the intent of the legislature to permit school districts with voter-approved maintenance and operation levies to seek an additional approval from the voters, if subsequently enacted legislation would permit a higher levy." *See* Laws of 2010, ch. 237, § 3. To that end, the Legislature in SHB 2893 authorized school districts with existing voter-approved maintenance and operations levies (also known as educational programs, maintenance and operations levies) to seek voter approval of additional (supplemental) maintenance and operations levies to provide for subsequently enacted increases affecting the districts' levy bases or maximum levy percentages. *See* Laws of 2010, ch. 237, § 4 (codified in RCW 84.52.053(2)).

(c) With State of Washington ("State") budget reductions, it appears certain that the money that will be available for the General Fund for the school years 2011-2012, 2012-2013, 2013-2014 and 2014-2015 will be insufficient to permit the District to keep the size of classes at appropriate levels to meet the educational needs of its students, all as more particularly set forth in Section 2 of this resolution, during such school years, and that it is necessary that a supplemental excess property tax levy of \$1,300,000 be made in 2011 for collection in 2012, \$1,400,000 be made in 2012 for collection in 2013 and \$1,500,000 be made in 2013 for collection in 2014 for the District's General Fund to provide the money required to meet those expenses.

(d) The District's proposed three-year excess tax levy authorized pursuant to this resolution is a General Fund educational programs, maintenance and operations levy and provides for the collection of excess property taxes as a supplement and in addition to the excess property taxes to be collected for the remaining three years of the District's existing General Fund Replacement of Expiring Levy for Educational Programs, Maintenance and Operations authorized by the voters in February of 2010 pursuant to Resolution No. 2009-28.

(e) The District is authorized pursuant to Article VII, Section 2(a) of the Washington Constitution and RCW 84.52.053, as amended by SHB 2893, to submit to the District's voters at a special election, for their approval or rejection, the proposition of whether the District shall levy supplemental excess property taxes to support class size in response to State budget reductions.

Section 2. Calling of Election. The Director of Records and Elections of King County, Washington, as *ex officio* Supervisor of Elections (the "Auditor"), is requested to call and conduct a special election in the District in the manner provided by law to be held therein on November 8, 2011, in conjunction with the State General election to be held on the same date, for the purpose of submitting to the District's voters, for their approval or rejection, the proposition of whether a supplemental General Fund tax levy shall be made annually for three years commencing in 2011 for collection in 2012 on all of the taxable property within the District of \$1,300,000, the estimated dollar rate of tax levy required to produce such an amount being \$0.09 per \$1,000 of assessed value (such assessed value representing 100% of true and fair value unless specifically provided otherwise by law), in 2012 for collection in 2013 of \$1,400,000, the estimated dollar rate of tax levy required to produce such an amount being \$0.09 per \$1,000 of assessed value, and in 2013 for collection in 2014 of \$1,500,000, the estimated dollar rate of tax levy required to produce such an amount being \$0.10 per \$1,000 of assessed value, all in excess of the maximum tax levy specified by law for school districts without voter approval. The exact tax levy rate may be adjusted based upon the certified assessed value of the taxable property within the District at the time of the levy.

Section 3. Use of Levy Proceeds. If such proposition is approved by the requisite numbers of voters, the District will be authorized to levy supplemental excess property taxes (in addition to the excess property taxes authorized pursuant to Resolution No. 2009-28) and use the proceeds of such levies to support class size in response to State budget reductions and pay related General Fund expenses of educational programs, maintenance and operations support thereof during the school years 2011-2012, 2012-2013, 2013-2014 and 2014-2015, all as may be authorized by law and deemed necessary by the Board. Pending the receipt of those taxes, the District may issue short-term obligations pursuant to chapter 39.50 RCW or contract indebtedness pursuant to RCW 28A.530.080. Upon receipt, the District may use those taxes to repay such short-term obligations or indebtedness, all as may be authorized by law and deemed necessary and advisable by the Board.

Section 4. Form of Ballot Title. Pursuant to RCW 29A.36.071, the King County Prosecuting Attorney is requested to prepare the concise description of the aforesaid proposition for the ballot title in substantially the following form:

PROPOSITION 1

SHORELINE SCHOOL DISTRICT NO. 412

SUPPLEMENTAL LEVY TO SUPPORT CLASS SIZE

The Board of Directors of Shoreline School District No. 412 adopted Resolution No. 2011-14, concerning a supplemental levy to support class size. This proposition would address impacts on class size due to State budget reductions by levying the following excess taxes, in addition to the existing levies for educational programs, maintenance and operations approved by the voters in February, 2010, on all taxable property within the District:

<u>Collection Year</u>	Approximate Levy	<u>Assessed Value</u>	<u>Levy Amount</u>
	Rate/\$1,000		
2012		\$0.09	\$1,300,000
2013		\$0.09	\$1,400,000
2014		\$0.10	\$1,500,000

all as provided in Resolution No. 2011-14. Should this proposition be approved?

LEVY . . . YES ☐

LEVY . . . NO ☐

Section 5. Authorization to Deliver Resolution to Auditor and Perform Other Necessary Duties. The Secretary to the Board (the "Secretary") or her designee is directed to: (a) present a certified copy of this resolution to the Auditor at least 84 days prior to the date of such special election; and (b) perform such other duties as are necessary or required by law to submit to the District's voters at the aforesaid special election, for their approval or rejection, the proposition of whether the District shall levy supplemental excess property taxes to support class size in response to State budget reductions. All actions of the District or its staff or officers taken prior to the effective date of this resolution and consistent with the objectives and terms of this resolution are ratified and confirmed.

Section 6. Notices Relating to Ballot Title. For purposes of receiving notice of the exact language of the ballot title required by RCW 29A.36.080, the Board hereby designates the (a) Deputy Superintendent (Marcia Harris), telephone: 206.393.4113; fax: 206.393.4204; email: marcia.harris@shorelineschools.org; and (b) special counsel, Foster Pepper PLLC (Hugh Spitzer), telephone: 206.447.8965; fax: 206.749.2014; email: spith@foster.com, as the individuals to whom the Auditor shall provide such notice. The Secretary is authorized to approve changes to the ballot title, if any, deemed necessary by the Auditor or the King County Prosecuting Attorney.

Section 7. Authorization of Local Voters' Pamphlet. The preparation and distribution of a local voters' pamphlet providing information on this ballot title is hereby authorized. The pamphlet shall include an explanatory statement and statements in favor of and in opposition to the ballot title. The preparation of explanatory statement, the appointment of pro/con committees and the preparation of statements in favor or and in opposition to the ballot title shall be in accordance with chapter 29A.32 RCW and the rules and guidelines of the Auditor.

Section 8. Severability. If any provision of this resolution shall be declared by any court of competent jurisdiction to be invalid, then such provision shall be null and void and shall be separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution, or of the levy or collection of supplemental excess property taxes authorized herein.

Section 9. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Board of Directors of Shoreline School District No. 412, King County, Washington, at a regular open public meeting thereof, held this 27th day of July, 2011, the following Directors being present and voting in favor of the resolution.

SHORELINE SCHOOL DISTRICT NO. 412
KING COUNTY, WASHINGTON

David Wilson, President

Maren Norton Vice President

Michael Jacobs, Director

Deborah Ehrlichman, Director

Richard Potter, Director

ATTEST:

Susanne M. Walker
Secretary to the Board of Directors

CERTIFICATION

I, SUSANNE M. WALKER, Secretary to the Board of Directors of Shoreline School District No. 412, King County, Washington (the "District"), hereby certify as follows:

1. The foregoing Resolution No. 2011-14 (the "Resolution") is a full, true and correct copy of the Resolution duly adopted at a regular meeting of the Board of Directors of the District (the "Board") held at the regular meeting place thereof on July 27, 2011, as that Resolution appears on the minute book of the District, and the Resolution is now in full force and effect; and

2. A quorum of the members of the Board was present throughout the meeting and a sufficient number of members of the Board present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of July, 2011.

SHORELINE SCHOOL DISTRICT NO. 412
KING COUNTY, WASHINGTON

SUSANNE M. WALKER
Secretary to the Board of Directors

FACTS ABOUT Supplemental Levy proposal



November 8, 2011 general election

The Shoreline School Board approved a resolution at its July 27 meeting placing a supplemental levy proposal to support class size in response to state budget reductions on the November 8, 2011 general election ballot.

The decision to place the supplemental levy on the ballot comes in the wake of the planned cuts to basic education in Shoreline of approximately \$6.2 million annually.

Included in these cuts is \$4.3 million in voter approved I-728 dollars used for class-size reduction, professional development of staff and extended learning opportunities for struggling students. Another \$1.1 million in funding was cut in class-size reduction in grades K-4, funding which has been in place for more than 20 years. Finally, more than \$770,000 was reduced in other areas, including salary compensation.

The impact of these reductions is magnified by the loss of federal stimulus funds for special education and Title I programs. In addition, the state has raised the retirement and health care costs to the District by approximately \$865,000 over the next two years.

Even after having to supplement K-4 class size funding by using \$600,000 in reserve funds this year, the District believes that it can sustain the current class size model for 2011-12. However, by 2012-13 more revenue would be required to maintain the current classroom staffing model.

Proposition 1 – Supplemental Levy to Support Class Size

These are the projected levy amounts beginning in 2012:

Collection Year	Levy amount	Est. Rate per \$1,000 of assessed value
2012	\$1.3 million	\$0.09
2013	\$1.4 million	\$0.09
2014	\$1.5 million	\$0.10

The measure would require a simple majority for passage. Current estimates suggest that such a measure would increase rates about \$36 a year for a home valued at \$400,000. Voters in the neighboring districts of Edmonds, Northshore and Seattle have approved similar supplemental levy measures.

For more information about the supplemental levy, please contact the Public Information Office at 206-393-4412 or visit the District Web site: www.shorelineschools.org

Impact of State Budget Reductions on Shoreline Schools

	2009-2010	2010-2011	2011-2012	2012-2013
State Funding	(\$3,000,000)	(\$3,600,000)	(\$6,200,000)	(\$6,200,000)
Federal Stimulus/EduJobs	\$2,700,000	\$3,300,000	0	0
Revenue Impact	(\$300,000)	(\$300,000)	(\$6,200,000)	(\$6,200,000)
Retirement/Health Care increases			(\$405,000)	(\$460,000)
Total Impact of Legislative Action			(\$6,605,000)	(\$6,660,000)

EXPLANATORY STATEMENT

Passage of Proposition No. 1 would allow the levy of \$1,300,00 of property taxes within the Shoreline School District for collection in 2012, the levy of \$1,400,000 of taxes for collection in 2013, and the levy of \$1,500,000 in taxes for 2014. The purpose of the levy is to support class size in response to State budget reductions. This supplemental levy is in addition to the maintenance and operation levy, approved by the voters in the February 2010 election, on all taxable property within the District. The taxes approved by this proposition would be deposited in the Shoreline School District's General Fund and expended to support class size. If authorized by the voters and based upon current assessed valuation information, the estimated levy rates per \$1000 of assessed value would be \$0.09 (2012 collection); \$0.09 (2013 collection) and \$0.10 (2014 collection).